

Professional Hotel Front Office Management

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Agra



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All my past, present and future students

Preface

I always felt the need for a textbook on Front Office Management during my stint as a hospitality trainer and this motivated me to write this book.

This book has been primarily developed to cover the syllabus prescribed by the National Council for Hotel Management, New Delhi. It is also at par with the syllabi of various universities of India, offering degree courses in hotel/hospitality management.

During my continuous interface with the industry, I have noticed that students do not learn certain practical aspects of front office operation in college. I have included these important activities in detail in this book so that the students are equipped with sufficient knowledge to manage these in the industry. I have also noticed that students do not get much opportunity to develop themselves during their stint at college on service attitude, which is the most important aspect of hospitality industry. Keeping this in mind, a separate chapter on service management has been added. Efforts have also been made to add information on hotel laws and licenses.

In this book, I have explained front office operation on manual system and gradually switched over to computerized system, because I believe that manual system helps students to understand 'why' rather than 'how'. Thus, better conceptualization is possible.

This book would not have been complete without the constant inspiration of my student and ex-colleague, Mr Soumendra Mukherjee. I am extremely thankful to him. I would also like to express my sincere thanks to all my students and trainees of various organizations, who inspired me by seeking clarification during my teaching process, which actually helped me to conceive the idea of writing this book. I express my sincere gratitude to all expert managers of the industry who added value to this book by giving valuable suggestions.

Last but not least, I am thankful to my wife and my son for encouraging me continuously.

Anutosh Bhakta



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Chapter ONE

Introduction to Tourism and Hospitality

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Gain an understanding of the hospitality industry*
- » *Get an idea of the growth and development of hotel industry*
- » *Learn classification and organisation of hotels*
- » *Understand the basic elements of tourism*

||| HOSPITALITY INDUSTRY: AN OVERVIEW

In this chapter, we will provide an overview of the hospitality industry and will discuss the basic concepts of this large and exciting industry.

First, we will get an idea of an organisation and an industry. An ‘organisation’ is a group of people working together to achieve a common goal and an ‘industry’ is a group of organisations working together for a common goal. So, an industry could be understood as an umbrella under which many organisations of the same nature function for a common purpose, e.g. the textile industry, under which are different organisations like those engaged in textile manufacturing, sales, and garment manufacturing operate. Together, all these organisations constitute the textile industry. Similarly, under the hospitality industry, there are many organisations that work towards a common goal. The *Oxford English Dictionary* defines *hospitality* as ‘the reception and entertainment of guests, visitors or strangers with liberality and goodwill’.

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The hospitality industry can be broadly defined as a collection of organisations providing either all or a combination of the following facilities:

- Accommodation
- Food and beverage
- Transportation
- Entertainment
- Health care

Some of the organisations that come under the hospitality industry are

- Hotels
- Independent restaurants
- Airline companies
- Shipping companies
- Railways
- Industrial canteens
- Amusement parks
- Shopping malls
- Hospitals/nursing homes
- Call centres
- Any possible organisation engaged in customer service

The above list implies that the hospitality industry includes not just hotels and restaurants but also a wide range of other organisations. This means ample job opportunities in hotels, restaurants, airlines, cruise lines, railways, industrial canteens, amusement parks, shopping mall, hospitals, nursing homes, call centres, banks, MNCs, etc. and a very bright future ahead. Students are familiar with this brighter side of the profession. But, many students good in academics have to struggle hard to carve out a successful career in this industry while others who do not perform so well in academics excel in their career.

||| CAREER IN THE HOSPITALITY INDUSTRY

Just graduating in hotel or hospitality management is not enough to build a successful career in the hospitality industry. During my thirty-year stint in the hospitality industry, I have observed that for success in this field, academics count for approximately forty percent. Other qualities make up the balance sixty percent. It is extremely essential to blend academic qualification and other qualities to become a successful professional. While pursuing your studies, you must learn to develop and blend these qualities with your academic qualification. Otherwise, you will see the ladder of success but will not be in a position to climb it. So, what are these qualities that you need to develop and blend with academics? They are elaborated below.

Good communication skills

Communication skill is not restricted to speaking good English. It is an ability to make people understand what you want to express, no matter whatever your language or situation is. Communication is an exchange of ideas, facts, views, opinion, information and emotions by two or more person. This is also known as a process by which the information is transmitted between individuals and/or organisations, so that an understanding response results.

Grooming

It means how you present yourself in front of others depending on the occasion, environment, place or situation. You should look charming and presentable. Take care that your hair is trimmed, you are properly shaved, your uniform is clean and properly ironed, your shoes polished, and that there are no broken or missing buttons, etc. That way you will look attractive and presentable, suited for the work environment. You should appear as per the requirements of the industry. For instance, spiked hair may look good at a party but is unsuitable in a work environment, especially in the service industry. So, you should develop a sense of grooming best suited with the environment.

Pleasing and Cheerful Personality

Your main job will be to deal with people and render services to them. In other words, you will earn money by selling services. People will decide to buy services from you, provided they are attracted to your pleasing and cheerful personality. In this context, we offer an example here. In 1971, in New York City, a research was carried out to find the factors most responsible for selling. To carry out this research, they opened, prior to Christmas Eve, two identical pastry shops, adjacent to each other with the same size, same decor, same varieties of product, same ambience, same number of staff, etc. But, the counter staff was different. In one shop, they kept counter staff with smiling face and pleasing personality. While in other shop, staff was gloomy. After a month, they realized that the shop with smiling and pleasing counter staff earned ten times more revenue than the other shop. It is rightly said that if you cannot smile, if you cannot please people, and you are not suitable for the service industry.

Positive Attitude

This is the most important quality you need to develop to be a successful professional. What is positive attitude? In simple words, positive attitude means your behaviour, and the ability to deal with people from your heart. Whatever you do for your customers and do it with sincerity—from your heart; because everybody likes natural and genuine behaviour, which can only come from the heart.

When people like you, they will be willing to spend money on you. A positive attitude will not only make your customers happy, but will also give you immense happiness.

A famous Chinese proverb says:

If you want happiness for an hour—*TAKE A NAP.*

If you want happiness for a day—*GO FOR A PICNIC.*

If you want happiness for a week—*GO FOR A WEEKEND.*

If you want happiness for a month—*GET MARRIED.*

If you want happiness for a year—*INHERIT WEALTH.*

If you want happiness for lifetime—*LOVE YOUR WORK.*

You can only love your work, if you work from the heart.

Let us now discuss customer-focused activities. The most important thing to remember is that everybody in and around you is your customer. He or she may be your classmate, colleague, teacher, sub-staff, visitor or your family member. You should display a positive attitude with everybody. If you think you are required to display a positive attitude only with people who buy your service, then you are wrong. Being positive comes from within. It is not acting. Unless you make it a habit, you cannot develop a positive attitude. Thus, you should be positive with everybody.

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What is required of a successful service industry professional is a fine blend of all the qualities mentioned above with knowledge and skills, which you will be learning in due course of time.

||| AN INSIGHT INTO HOTELS AND THE HOSPITALITY INDUSTRY

Gone are the days when a hotel was considered ‘a home away from home’. This was true during the ages of inns, when there were hardly any lodging houses, where customers were very happy with shelter and food. The concept of a hotel has changed and now a hotel is ‘a public place that provides boarding and lodging to bonafide customers on payment’.

Today, hoteliers face tremendous competition. People have started viewing hotel services in a professional perspective. Nowadays, people expect much more from a hotel than what they normally get at home. In fact, it is the search for these extra comforts and facilities that lead people to use hotels more and more. For example, one would not bother if the morning tea is not served on time at home or at any friends’ house, but if this delay in service happens in a hotel, a scene might be created, because people compromise with many things at home but not in a hotel as they are paying for the service.

Besides the basic amenities of food and accommodation, hotels provide many extra amenities for the comfort and convenience of the guests, which are not available at home, such as a specialty restaurant, 24-hour coffee shop, bar, 24-hour room service, banquet halls, night club, discotheque, shopping arcade, swimming pool, laundry service, safety lockers, channel music, close circuit TV, conference hall, money changing facilities and so forth. It is because of these extra facilities that people today frequently visit hotels.

In the present scenario, it would be fair to say that a hotel today is more than a home away from home.

Who is a guest?

A guest in a hotel is basically a customer who purchases the services of the hotel and pays for them. However, since we are in the hospitality industry, we do not use the commercial terminology for these buyers of our services (who in fact are paying guests), we call these buyers **guests**. When we address our customers as guests, their ego gets boost up and they feel important. This is the reason why there is no word called ‘customer’ in our dictionary. Instead, we always address them as ‘guests’.

Relations with the Guests

We have already seen that we maintain long and an informal relation with our people close to us such as our parents, friends, sisters and brothers. The relation is lifelong and it is informal in nature. We share our feelings of joy and sorrow with our parents, friends, siblings and other relatives. We crack jokes and call them by their nicknames. Now, what kind of a relation should an employee of the hospitality industry maintain with the guests?

The answer is that it should be ‘short and formal’. It is *short*, because it has been seen that average duration of a guest’s stay in a hotel is two to three days, during which, an employee hardly comes in contact with a guest for not more than an hour or so. That means even if a guest visits a hotel 25 times in his/her entire lifetime, the relation with a guest will last for a maximum of 25 hours or one day in the whole lifetime. (Is it not a very short relation compared to the relations we maintain with our family members and friends?)

The relation is also *formal* because as employees, we cannot share our feelings with our guests, or cannot call them by their nicknames. We always address them as Sir, Madam, Mr or Ms. We cannot encroach on their personal life and personal space. Therefore, an employee maintains a 'short and formal' relation with his guests.

Now the question is: When the relation is very short and formal, how important is it to maintain that relation? Obviously, it is most important. If you spoil the relation with the guest, you spoil the goodwill of the hotel. You start losing guests, which will affect profitability. We do come across instances when guests complain about the rude or indifferent behaviour of employees.

Let us analyse how relations sour. The moment you disagree, a conflict with the guest starts, which in turn leads to deterioration in the relation. Guests have the privilege to disagree but not employees. Therefore, '**the guest is always right**'. Whenever this golden rule is forgotten, conflicts arise and complaints start pouring into the manager's office.

Whenever you meet a guest, you represent your organisation. So, you have to take care of your behaviour, courtesy, grooming, posture, gesture and so on.

Service Culture

Different places have different cultures but people adapt themselves to the culture of a place in due course of time. In the hospitality/service industry, the culture which should exist is the *service culture*. But, what is service culture?

The simplest way to define 'service culture' in one word is *anticipation*. It means anticipation of guests' needs. So, service culture means anticipation of guests' needs and rendering services accordingly before they ask for it. Why is service culture so important in the hospitality industry? It is because guest satisfaction is the topmost priority for us and psychology says that 'someone becomes more satisfied if his/her needs are fulfilled before it is asked for'. We try to make use of this human psychology to satisfy our guests.

When a guest walks into the lobby of a hotel and comes in contact with the Front Desk staff, the guest expects the staff at the Front Desk to greet him with a smile. If the guest is welcomed with a smile (without asking for it) by the Receptionist, the guest will start feeling the atmosphere of service culture in the hotel. But quite often it is observed that Receptionists fail to offer smile and greetings and the result is that the manager often hears from the guests: 'Your receptionists do not even smile.'

A smile is a very simple thing to anticipate and with experience, employees can anticipate more and more requirements of the guests and can offer them before the guest makes a request. For example, offering guest registration card on arrival along with a pen, offering room keys to the guest and so forth.

A good exercise can be done by putting yourself into the guests' shoes and making a list of what you would expect from the employees of the hotel, right from the time you enter in the hotel, during your stay, till you check out. Thus, you will make a list of guest service standards.

III MODERN TOURISM DEVELOPMENT

The term *tourism* is of modern origin. It is evident by its mass character of the travel undertaken in the past. Recently, there has been a large growth in the mass movement of the people from their native place to another country for short-term stay of a few days or weeks. The present-day migration by international tourists is a post-World War II phenomenon, though the annual exodus of people started only a

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century ago. The credit of the development of various modes of transport, such as the motor car and the aeroplane, goes to the period between the two World Wars, during which there was a great movement of people for the purposes of tourism. Along with the intervention of the Second World War, the trend received a setback. Tourism is sensitive to world economic and political conditions. It can also take place in such an extensive way that the majority of the people can enjoy some prosperity and security. Tourism and holiday making demonstrated prosperity and peace on a global as well as a national scale. In accordance with the high standard of living of people in many countries, a proportion of their incomes can be set aside for holidays and recreation.

Reasons for Rapid Growth of Tourism

The economic, social and technological aspects of the highly developed industrialised countries served as the basic cause of rapid growth of demand for tourism. Factors such as the rising per capita income have made tourism handy to a large number of people because of its high spending power and also an increase in discretionary incomes. Annual holidays have become reachable to a large majority of people in advanced countries. Establishments such as ‘recreation homes’ were made for the more prosperous members of the society who considered these as a fashion and status symbol. Varied types of recreation and holidays, such as yachting, safari and trail-riding, were gaining popularity. Another factor that influenced the growth of tourism was the use of motor car during travel, which increased mobility. In places like Europe and North America, private car owners grew in number resulting in more travel for the purpose of tourism.

The social reason

The new attitudes towards travel and leisure, which traditionally was considered to be a luxury but now is considered to be the essential part of lifestyle and consumption pattern, socially helped in the growth of tourism. There has been a significant change in the entire concept of pleasure travel. In the pre-war days, these services were enjoyed by the well-heeled and leisured people of the society who enjoyed travel for its own sake and who were content with enjoying scenery, works of arts and theatres in foreign places. But the present-day tourist has a different idea of travel, coming from a different background, which is much wider and contains varied tastes and desires. This is also because of the restricted time limit granted to the tourist and also because of his/her desire to pack into it as much as possible within the given time limit. ‘Democratisation’ of leisure pursuits is yet another factor responsible for the growth in tourist traffic. This includes the availability of exclusive pursuits, such as riding, boating and surfing to an ordinary man.

Technological reasons

A new meaning to tourism has been brought about by the aviation industry. Travels to remote destinations were now a part of reality. The number of long-distance journeys undertaken by the tourists increased during the last 20 years. The most inaccessible places a few generations ago, had become accessible to millions of people due to the technological development. It is now a matter of few hours to carry holidaymakers to thousand miles or more. The consistent air travel market was separated into two segments—charter and schedule air travel—which had indeed increased the demand. Package tours nowadays are a contributing factor to the growth of tourism. These tours are complete with all sorts

of arrangements, such as transport, accommodation and sightseeing tours with a significantly reduced price that had been much higher if arranged individually. Various factors such as the opening of tourist spots in the developing countries, creation of new facilities to receive larger flow of tourist and increasing tourism promotion efforts by tourist service enterprises have increased the tourist flow. Prosperity was demonstrated through the participation of mass tourism activities as in those of highly developed industrialized countries. People enjoying high standards of living can afford to set aside a proportion of incomes for holidays.

Commodities like wheat, automobiles and machine tools were left behind as international tourism led the items of international trade since the mid-1960s. A conference on International Travel and Tourism held in Rome in August–September exemplified tourism’s importance. International travel and tourism received a setback as the economic and social force of major proportions in the world at this conference, which was attended by over 500 people from some 84 countries, and it was from this event that many countries realised the benefits of tourism.

The thing in tourism that attracted many countries was the foreign exchange. A shortage in the foreign currency is experienced by almost all developing countries, which results in the incapability of these countries in obtaining goods and services necessary for development. A large number of developing countries depend on international tourism as the source of obtaining foreign earnings as a result of which around 100 countries are developing a major interest in the development of tourism. Some of these countries are seeking the help of international consulting firms to prepare a tourism development plan and are asking the World Bank to grant loans to finance these plans. A part of the financial allocations is set aside by all the developing countries for the development and promotion of tourism. An amplified tourist flow to these countries is taking place due to the strengthening and building of the basic infrastructure and accommodation. Countries like China have opened their doors to a large number of visitors in an attempt to get a good share of foreign exchange and due to this attempt, it is now receiving a large number of foreign tourist from all over the world. In an attempt to increase currency reserves and also to make travel to China more moderate, new hotels are being built and the airports are being modernized and new accommodations are being provided at different tourist sites.

Peter’s Inventory of Tourist Attractions

- | | |
|-----------------------|---|
| 1. Cultural: | Site and areas of archaeological interest; historical buildings and monuments; places of historical significance; museums; modern culture; political and educational institutions; religious institutions |
| 2. Traditions: | National festivals; arts and handicrafts; music; folklore; native life and customs |
| 3. Scenic: | National parks; wildlife; flora and fauna; beach resort; mountain resort |
| 4. Entertainment: | Participation and viewing sports; amusement and recreation parks; zoos and oceanariums; cinemas and theatres; nightlife; cuisine |
| 5. Other attractions: | Climate; health resorts or spas; unique attractions not available elsewhere |

Source: *International Tourism, Hutchinson, 1969, pp.148–49.*

Tourism and its Nature

According to the WTO, there were nearly 415 million international tourist arrivals throughout the world in 1990, which rose to around 450 million in the year 1991 with an increase of about 5 percent. Tourism

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can also be described as the activity of the tourists of spending billions of dollars at the country of visit. A clear concept and a more accurate and scientific definition of tourism is necessary for various purposes such as to describe the phenomenon of tourism systematically, for statistical purposes and for legislative and administrative purposes.

One of the earliest definitions of 'tourism' was given by an Austrian economist, Hermann V. Schulard, in the year 1910, who defined it as 'the sum total of operators, mainly of an economic nature, which directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or region'. The concept of tourism found expression, however, in a more technical definition of the Swiss professors, Hunziker and Krapf, in the year 1942. They stated that, 'tourism is the totality of the relationship and phenomenon arising from the travel and stay of strangers, provided the stay does not imply the establishment of a permanent residence and is not connected with a remunerated activity'. This definition was subsequently adopted by the International Association of Scientific Experts in Tourism (IASSET). The definition brings out the following three distinct elements of tourism:

- Involvement of travel by non-residents
- Stay of temporary nature in the area visited
- Stay not connected with any activity involving earnings

Tourism, therefore, acts as a compound confrontation that holds close the incidence of a mobile population of travellers who are strangers to the places they visit. The increasing importance of the quantitative aspects of tourism for marketing decisions has led to various attempts by experts in the field to arrive at an internationally accepted definition of the term 'tourist' as the basic unit of measurement for tourism statistics.

Geographical Components of Tourism

1. Accessibility and location
2. Space
3. Scenery:
 - (a) Landforms, e.g. mountains, canyons, coral reefs and cliffs
 - (b) Water, e.g. rivers, lakes, waterfalls, geysers, glaciers and the sea
 - (c) Vegetation, e.g. forests, grasslands, moors and deserts
4. Climate: sunshine, clouds, temperature conditions, rain and snow.
5. Animal life:
 - (a) Wildlife, e.g. birds, game reservations and zoos
 - (b) Hunting and fishing
6. Settlement features:
 - (a) Towns, cities, villages
 - (b) Historical remains and monuments
 - (c) Archaeological remains
7. Culture: Ways of life, tradition, folklore, arts and crafts, etc.

Source: *A Geography of Tourism*, H. Robinson, 1979, p. 42 .

Basic Elements of Tourism

As tourism cannot exist in isolation, it consists of three basic elements—transport, location and accommodation.

Transport, location and accommodation

A mode of transport is necessary for the tourist in order to reach his/her destination. It may be a motor car, a coach, an aeroplane, a ship or a train. The location may be used to include the holiday destination and what it offers to the tourist. Natural attractions like sunshine, scenic beauty or sporting facilities are offered by the holiday destination. Accommodation is another basic component, which provides food and rest. Location, along with its attractions and facilities, is the most important element as it forms the basic of tourism because unless there is an impressive location tourist will not be provoked to visit the place. Because of the varied interests and tastes of tourists, they have a wide variety of locations to choose from all over the world. Fashion also plays an important role in various attractions and amenities.

According to Robinson, geographical features are responsible for a tourist getting attracted to a location. The factors like physical space, scenery and landscapes play a vital role. Climatic conditions also play a significant role in attracting tourists along with the factors like animal life, sporting alternatives, historical monuments, archeological remains and, last but not least, the cultural features like folklore and artistic expressions.

Along with the three basic elements, there are other elements that influence the development of tourism. These are

- Pleasing weather
- Scenic attractions
- Historical and cultural factors
- Accessibility
- Amenities
- Accommodation

||| GROWTH AND DEVELOPMENT OF HOTEL INDUSTRY IN INDIA

In India too, the development of hotel industry is closely linked to travel. In India, in ancient times, animals (such as mule, horse and camel) were the main modes of transport and for rest during the travel at strategic points, *dharmashalas*, *sarais*, *chaupals* of *panchayats*, *chowthry* (in South India), temples and religious places were provided by rich people such as *rajyas*, kings and *zamindars*. Usually, free accommodation and food for travellers was offered at these places. During medieval period, it was mandatory for the state authorities to provide food and shelter to the wayside traveller.

Musafir Khanas and Sarais

These were developed during the Muslim period. Many famous and well-known *musafir khanas* and *sarais* were made in the Sindh province during the Arab invasion, and also at Peshawar and Lahore. Mohammad Tughlak and Feroz Shah Tughlak made inns in the northern India. Later, Sher Shah Suri, Akbar, Jahangir and Shah Jahan made inns in different parts of India. Jahanara Begum built a very beautiful *sarai* at Sahibabad (Begamabad) and its beautiful garden is still there and is called the Queen's Garden or Azad Park. The fountain in the upper garden has the inscription '*Gar Firdaus Bar Rui Zaminast—Haminhastu, Haminhastu, Haminastu*'.

Delhi has always been traditionally hospitable, and we find overwhelming evidence of this in the innumerable *sarais* and rest houses of this ancient city. Delhi has been built seven times in the area spanning from Mehrauli to Shahjahanbad. Delhi is believed to be one of the oldest living capitals of

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the world. During their reigns, rulers of Delhi built *sarais* throughout their kingdom for the comforts of travellers. The *sarais* afforded a *baoli* or a *talab* (a bathing tank), a stable, a *dargah* for prayer and, sometimes, a *bimarkhana*—a place for sick and ill travellers. A Sufi or saint also lived often in the *sarai*. Many rulers such as Allauddin Khilji banned the selling, consumption and drinking of spirits in the *sarais*. Most of the *sarais* in Delhi belong to the Slave Period. As per Shiab-al-din Alumrai, there were 2000 *khangabs* and *sarais* in Delhi and its suburbs. Most of these have not survived. Some of the famous *sarais* are mentioned below.

Qutub Sarai At the entrance of the tomb of Kamali Jamali, there is a 50-foot deep *baoli* in its courtyard.

Ladha Sarai: Also called the Baghi-Nazir, it is 300 yards south of the tomb of Jamali. It was built in 1748.

Lado Sarai: Also in the same vicinity, it was originally a caravan *sarai*.

Sarban Sarai: It is in Kamlapati Garden, very close to Delhi-Qutub Road.

Daud Sarai: It is situated about 500 yards south of the tomb of Maulana Quli Khan in the Qutub area.

Kallu Sarai: Built during Tughlaq period, it is in the vicinity of Sarvpriya Vihar area. Its main feature, a rubble masonry building, is called as Bijay Mandal.

Arab ki Sarai: It was built in 1560–61 by Hamida Banu Begam, wife of Humayun, as a settlement of 300 Arabs (whom she had brought with her while returning from a pilgrimage to Mecca).

Sheikh Sarai: It was named after a popular saint, Sheikh Allauddin, who lived there and had built his tomb during his own lifetime.

Some other popular *sarais* of Delhi are *Sarai Shahji* built in Mughal period, *Gur Ki Sarai* on the eastern side of Karnal Road with its mosque of Hyrewali, *Sarai Bangash* near Fatehpuri mosque, *Sarai Topkhana*, the *Dargha Shah Sabi Baksh* with its *musqfir khana* on Faiz Bazar road, *Jai Sarai* on south-east of Hauzkhas village, *Katwaria Sarai* in the centre of the village, *Phus ki Sarai*, *Ghatu Sarai*, *Nepa Sarai* and the famous *Yusuf Sarai*.

During the British rule, the *sarais* started developing into inns and western-style hotels in important cities like Kolkata and Mumbai. During this period, boats were kept ready at ports. Agents took care of travellers and their luggage.

Private carriage would take them to the hotel on their arrival at the shore. As early as 18th century, there were excellent inns (taverns) in India. Some famous inns were Portuguese Georges, Parsee Georges and Paddy Georges. Some famous hotels of that time were Albion Hotel, Victory Hotel, Hope Hall (available at Rs 6 per day for room and meals).

Records are available showing that Philip Stanhope (1778), a traveller, stayed in a luxurious and excellent tavern in Bombay. David Prince, who visited India, stayed at Mac Farlanes Hotel. A dinner to commemorate the capture of Shrirangaparnam was served at Maclean's Hotel in 1800 at Bombay. The same remained a resort for many years of Sans Souci Club, which entertained Duke of Wellington, Lord Nelson and Sir Arthur Wellesley.

Pallanjee Pestonjee (1840) started the first luxurious hotel in Bombay. It was famous for its excellent cuisine, beers and wines and its excellent management. Later, he opened another hotel at the fort in Bombay. Auckland Hotel (1843) was established in Calcutta. Later, it was renamed as the Great Eastern Hotel in 1858 and later renovated for a sum of Rs 10 lakhs. Esplanade Hotel (1871) was built in Calcutta by John Wakson (Britisher), a silk drapery merchant (also believed to be an architect and builder). The hotel had 130 rooms. Later, some Swiss and other families also owned hotels in India. One such example was Hotel Fonseca in New Delhi, which was later demolished and Hotel Taj Mahal at Mansingh Road was built there.

In 1903, J.R.D. Tata constructed the Taj Mahal Hotel in Bombay. It was the first hotel of international standards and repute, built by an Indian for Indians. The government realized the importance of tourism in 1962 when there was a decline in tourist arrivals from 1,39,804 to 1,34,360. Incentives were offered by the Department of Tourism (DOT). Hotel Corporation and Tourism Corporations were established. Ashoka Hotel Ltd and Vigyan Bhawan were made in 1956 in a record time of one year. Later, the Union Ministry of Housing and Welfare constructed three hotels—Lodhi Hotel, Hotel Janpath and Ranjit Hotel. In 1963, an ad hoc committee (Jha Committee) was set up by the Government of India to give recommendations about the development of Hotel and Tourism Industry and one of its major recommendations was that ‘if adequate hotel accommodation of the right type for the kind of growth of tourism is to be provided, public sector will have to play a major role in this field’. Later, the Dewan Chaman Lall Committee was set up by the Government of India (Hotel standard and Rate Structure Committee) to

- Lay down criteria for classification of hotels in view of international standard
- Suggest guidelines for the promotion of tourism to India and within India
- Suggest improvements on the existing arrangements and availability of sources for the promotion of national and international tourism
- Suggest a rate structure keeping in view the existing price structure in hotel industry.

Till 1963, hotels were mainly run by private operators and only rest houses and tourist bungalows were run by the Department of Tourism. Hotels at Puri, Aurangabad and Ranchi were traditionally run by the railways and state governments. Hotels at Brindaban-Mysore were also run by the state government.

Formation of Three Corporations and ITDC

In 1964, three corporations were set up by the Government of India:

- India Tourism and Hotel Corporation
- India Tourism Corporation Ltd
- India Tourism and Transport Corporation

On 24th September 1966, the Government of India decided to merge these corporations and issued India Tourism Corporation Amalgamation Order 1966 and formed a new corporation—India Tourism Development Corporation (ITDC) with an authorized capital of Rs 5 crore. Soon, ITDC took over tourist bungalows at the following places:

- Mahabalipuram, Tanjavur, Madurai and Tiruchirapalli (Tamil Nadu)
- Bijapur and Hassan (Karnataka)
- Khajuraho, Sanchi and Mandhu (Madhya Pradesh)
- Kullu and Manali (Himachal Pradesh)
- Bodhgaya (Bihar)
- Bhubaneshwar (Orissa)
- Kashi Nagar (Uttar Pradesh)
- Ghana (Rajasthan)

Major Indian Hotel Groups

Many small and big Indian hotel groups are operating in various parts of India. Some of them are discussed below. Apart from Indian, some international hotel chains such as Sheraton, Hilton, Ramada, Sofitel, Meridien, Hyatt and Marriott are either operating or planning to operate in India on franchise basis.

Welcome Group

It is the hotel division of ITC Ltd. The ITC entered into hotel business in 1975 with the opening of Hotel Chola in Chennai. The logo represents a traditional Indian welcome in the form of *namaste* in an open doorway with the slogan: 'Nobody gives you India like we do'. The motto of the Welcom Group is: 'We enjoy people'. The Welcom Group has hotels in various cities in India, such as Agra, Delhi, Aurangabad, Jaipur, Goa, Gwalior and Kolkata.

Oberoi Hotels

Rai Bahadur M.S. Oberoi started his hotel career as a clerk in 1922 at Faletti's Cecil Hotel in Simla. Later, Ernest Clarke sold his share to M.S. Oberoi, who under the deed of dissolution dated August 14, 1934, became the sole, absolute and exclusive owner of Clarke's Hotel in Simla and Delhi. Oberoi later took over the Grand Hotel at Calcutta on lease and by the end World War II, the Grand Hotel became a byword for good service and elegant comfort in hotels. He established the Oberoi Hotel Pvt Ltd. in 1946 and later, on 26th May 1949, established the East India Hotel Ltd (EIHL) in Calcutta. Many hotels were added to EIHL during this period. Later, two very important hotels were added—Oberoi Intercontinental in August 1965 in New Delhi and Oberoi Sheraton in 1973 in Bombay. The EIHL is now one of the largest and one of the most reputed hotel chains of India with hotels not only in India but also abroad. Oberoi has a hotel training institute at Delhi known as the Oberoi Centre for Learning and Development (OCLD).

Hotel Ambassador, New Delhi

This is one of the flagship hotels, which belonged to Lala Ram Parshad, one of the pioneers of the Hotel Industry in India (now managed by Taj Hotel in Delhi). In 1946, he purchased two hotels in Mussoorie, and operated one hotel in Bokaro. Lala Ram Parshad was appointed the technical director of Hotel Ashok, New Delhi, while it was being constructed. He was also the first Asian to be elected as an executive member of International Hotel Association (IHA) in 1969. He was amongst the first few hoteliers to realise the importance of trained workforce in hotel industry, and was associated with various hotel management institutes and food craft institute in India.

UP Hotels and Restaurants Ltd

Famous as Clarke's Group of Hotels, it was established on 13th February, 1961. It started with its flagship hotel Clarke Shiraz in Agra. Later hotels—Clarke's Awadh, Clarke's Amer, and Clarke's Varanasi in Lucknow, Jaipur and Varanasi, respectively, were added to this chain.

Ritz Chain

This chain belonged to the R.N. Kapoor family with hotels at Mumbai, Hyderabad, Kolkata and Coonoor (in South India). It specialises in Italian cuisine.

Spencers

The Spencers started hotel business in 1912 in Calcutta. They purchased the Connamera Hotel in Madras and opened the West End in Bangalore, Malabar in Cochin and Trivandrum, Blue Mountains in Kotagiri

in 1942 and Savoy in Ooty in 1943. They also opened vegetarian hotels in Madras (Geetha, Ashoka and Ajanta) and Hotel Arakua in Bangalore.

Sinclairs

Sinclairs is a chain of hotels operating in the eastern part of the country with hotels at Darjeeling and Takdah.

Hotel Corporation of India (HCI)

A corporation set up in 1971, HCI started with its first hotel at Bombay in 1974. Later, hotels in Delhi, Srinagar, Rajgir and other places were added to this group.

Leela Group

It has hotels at Mumbai and Goa and has plans for many hotels in other locations.

Asian Hotels

The group has tied up with Hyatt chain and has two hotels in Delhi. It plans to create property in Jaipur and Agra.

Apeejay Surendra Group (Park Hotel)

It started with its first hotel Park Calcutta in 1967. Later, a large hotel was added in Delhi and resort hotel at Visakhapatnam. Hotels in other cities like Chennai and Bangalore were also added to this group.

Jaypee Group of Hotels

The group has two hotels in Delhi and one each in Agra, Mussoorie and Noida.

Palace Hotels

Maharaja Hari Singh Palace was the first to be converted into the Oberoi Hotel. Later, Maharaja of Jaipur converted his palace, Ram Bagh, into a hotel. Maharaja of Udaipur was third in line who converted his (Taj) Lake Palace in the Pichola Lake into a hotel. The other palaces that were converted into hotels later on are

- Jodhpur Palace (Oberoi), Jaisalmer Palace and Bikaner Palace
- Lskshmi Vilas Palace of Jaipur (of Maharaja Bhupal Singh)
- Lalitha Mahal Palace of Mysore and Halcyon Castle of Travancore Maharaja
- Ushakiran Palace of Gwalior
- Hotel Jai Mahal Palace, Jal Mahal and Raj Mahal Palace in Jaipur
- Chamundi Hill Palace
- Bolghathy Palace near the Cochin Port, Residence of former British Resident of Southern States, (It is being converted into a hotel.)

Growth of Hotel Industry Worldwide

The growth of hotel industry across the world is presented below in chronological order:

▶ 1650	▶ Pascal opened a café in Paris and Coffee House in London
▶ 1794	▶ City Hotel (73 rooms) at 115 Broadway, New York. First building specially made for hotels.
▶ 1829	▶ Termont House. Adam and Eve of modern hotel industry was opened at Boston (170 rooms)
▶ 1889	▶ Cesar Ritz introduced luxury hotels such as Savoy, Carlton and Hyde Park hotels in England
▶ 1890–99	▶ Fredrick Gordon and Sir Blundel Maple launched Gordon Hotels and Fredrick Hotels Ltd
▶ Late 19th Century	▶ Famous Waldrof Astoria in New York
▶ 18th Jan, 1908	▶ Buffalo Statler by Ellsworth Statler in the US (considered to be the birth of commercial hotels)
▶ 1927	▶ Stevens Hotel in Chicago, later renamed as Hilton Hotel (3000 rooms)
▶ 1950	▶ Two new concepts, Motels and International chain operations, emerged
▶	▶ Hotel Rossia or Rossiain Moscow (remained the largest hotel of world for sometime) West Inn Stanford in Singapore (remained tallest building for sometime)
▶ 1930 Depression	▶ Decline in hotel industry
▶ World War Period	▶ Upsurge in hotels

Some Important Development in US Hotel Industry

- 1846 Central Heating
- 1859 Elevator
- 1881 Electric Lights
- 1907 In-room Telephones
- 1910 American Hotel Association began (Now AHLA)
- 1927 Radio in rooms
- 1940 Air Cooling
- 1950 Electric Elevator
- 1958 Free Television
- 1964 Holiday Inn reservation system with centralized computer
- 1965 Message light on telephone
- 1965 Initial FO systems followed by room status
- 1970 ECR (Electronic Cash Register)
- 1970 POS and key-less locks
- 1973 Free in-room movies (Sheraton)
- 1983 In-room Personal Computers

III CLASSIFICATION OF HOTELS

Hotels can be classified according to the following three broad categories:

- Size (the number of rooms)
- Location, clientele and facilities
- Star classification

Classification According to Size

Hotels are classified according to their size as follows:

- Small-sized hotel: A hotel with less than 100 rooms
- Medium-sized hotel: A hotel with rooms between 100 to 300 in number
- Large-sized hotel: A hotel with more than 300 rooms

Classification According to Location, Clientele and Facilities

Under this category, hotels are classified as downtown hotel, transit hotel, resort, motel and residential hotel.

1. Downtown or Commercial Hotel

Location:	Heart of the city, i.e. in the busy business/commercial area
Clientele:	Mostly businessmen and sometimes tourists
Facility:	Modern facilities, e.g. 24-hours coffee shop, specialty restaurants, 24-hour room service, business centre, centrally AC rooms, discotheque, swimming pool, shopping arcade, travel desk.

Average duration of stay: Three to seven days

2. Transit Hotel

Location:	Near the port of entry, e.g. seaport, airport and railway station
Clientele:	Layover passengers, misconnection passengers, businessmen and tourists
Facility:	Modern facilities

Average duration of stay: Few hours to few days

Layover passengers are those whose flight has been delayed due to technical fault of the aircraft or bad weather and they are accommodated in the hotel at the cost of airline company. *Misconnection passengers* are those who missed their connecting flight.

3. Resort Hotel

Location:	Resort places like hill stations, sea beaches, forests, etc.
Clientele:	Holiday makers, tourists and sometimes businessmen
Facility:	Moderate to modern facilities

Average duration of stay: Few weeks to months

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4. Motel or Motor Hotel

Location:	On highways
Clientele:	Motorists, tourists and sometimes businessmen
Facility:	Moderate to modern facilities
Average duration of stay:	Mostly overnight

Irrespective of size and facilities, every motel must have the following features:

- Parking space against each room
- Refuelling station
- Garage facility
- Swimming pool

The concept of motel or motor hotel originated in the US. Motel was meant for local motorists and foreign tourists travelling by road. Primarily designed to serve the needs of motorists, motels almost exclusively meet the demand for transit accommodation.

5. Residential Hotel

Location:	Anywhere in the city and in the suburb
Clientele:	Students and small businessmen, who have to stay away from home for a long period of time
Facility:	Basic facilities like accommodation and food
Average duration of stay:	Few months to years
Feature:	Rent paid monthly or quarterly

Classification According to Star Classification

Star denotes the available standards or facilities in a hotel. A hotel gets its gradation of star from the Department of Tourism, Government of India. The Department of Tourism prescribes the facilities that are to be provided in various star category hotels. An autonomous body (a committee), Hotel and Restaurant Approval Classification Committee (HRACC), formed by the Ministry of Tourism, Government of India, is responsible for star gradation of hotels. Generally, the HRACC, after receiving an application from hotel owners for star gradation, visits the hotel and checks out the standards and accordingly grades the hotel. The term for star gradation is for two years. The six grades of star are 5* Deluxe, 5*, 4*, 3*, 2* and 1*. The categories of various star hotels have some criteria or facilities that are called END.

E: Essentials (must have)

N: Necessary (should have)

D: Desirables (may or may not have)

The following are the members of HRACC:

- Secretary Tourism, GoI
- Regional Director of Tourism, GoI
- One representative from Federation of Hotels and Restaurants Association of India (FHRAI), who is generally the Secretary of the respective zone (of the four zones)
- One representative of the Travel Agents Association of India (TAAI), who is generally the Secretary of the concerned region

- Director of Tourism of the state concerned
- Principal of the regional Hotel Management Institute

(If any of the six members is absent on the day of visit, they are permitted to send their own representatives.)

The questionnaire for 5-star category hotel is given below.

QUESTIONNAIRE FOR 5-STAR CATEGORY HOTEL

Form 5-Star

Government of India
 Ministry of Tourism, Department of Tourism
 Hotel and Restaurant Approval Classification Committee (HRACC)
 Questionnaire for 5-Star Category Hotel
 Name of the Hotel

Questionnaire to be answered by hotels applying for 5-Star category:

PART I

Name and Address of the Hotel

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In order to be assessed for 5-star category, a hotel should have the following basic features and the absence of any one of these will disqualify it from consideration for the 5-star category.

1. The hotel should have at least 25 lettable bedrooms. Please state the number of guestrooms:
 - (a) Single
 - (b) Double
 - (c) Suite

Total

Note: Please furnish a list showing carpet area of each bedroom and area of bathroom.
2. The locality including the immediate approach and environs should be suitable for a hotel of this category
 - (a) Please indicate:
 - (b) Distance from Airport
 - (c) Distance from Railway Station
 - (d) Distance from Main Shopping Areas
 - (e) Please describe briefly the neighborhood in which your hotel is located
3. All public rooms and private rooms should be well appointed and fully air-conditioned (except in hill stations where there should be heating arrangements).
 Please Indicate:
 - (a) Are all your public and private rooms air-conditioned?
 - (b) Is your hotel centrally air-conditioned? If so, please give the tonnage and also the total floor area/cubic space.

4. All rooms must have well appointed attached bathroom with long baths or should be equipped with most modern shower chambers. (In the case of cabana rooms adequate shower facilities will be acceptable)
 - (a) Do all your rooms have attached bathrooms? If so, how many have long baths?
 - (b) How many are fitted with most modern shower chambers?
5. The kitchen, pantry and cold storage should be professionally designed to ensure efficiency of operation and should be well-equipped. Please state who designed your kitchen, pantry and cold storage and when?
6. There should be ladies' and gentlemen's cloakrooms and the cloakrooms should be spotlessly clean and equipped with furniture and fittings of the highest standard available befitting a luxury hotel of this category.
Do you have ladies' and gentlemen's cloakrooms attached to the public area? If so, how many?

PART II

Maximum Marks

Marks awarded by the Committee

- 1. Construction** **10N**
The architectural features and general construction of the building should have the distinctive qualities of a luxury hotel of this category.
- 2. Maintenance** **20N**
Maintenance of all sections of the hotel (i.e. building, walls, gardens, surroundings, etc.) should be of the highest standard.
- 3. Parking** **5D**
There should be adequate parking space for car. Please state:
 - (a) How many cars can be parked in the parking space owned by your hotel?
 - (b) How many extra cars can be locally parked in the capacity of your hotel?
 - (c) How many cars can be parked by the guests/visitors of the hotel when such space is most required?
- 4. Swimming Pool** **10N**
There should be well designed and properly equipped swimming pool (except in hill stations).
 - (a) Does your swimming pool have its own system for filtration, chlorinating and changing of water?
 - (b) How often is the water changed?
 - (c) What arrangements does your hotel have for heating the pool in the winter?
- 5. Bathrooms** **30E**
All bathrooms should be modern in design and should be equipped with fittings of the highest quality available befitting a luxury hotel of this category, with 24 hours service of hot and cold running water. The floors and walls should be covered with impervious material of elegant design and high quality workmanship. It is desirable that sockets for electric shaver should be provided.
 - (a) Do the bathrooms have sockets for electric shavers?
 - (b) Do the bathrooms have running hot and cold water for 24 hours?
- 6. Reception** **15N**
There should be a reception, cash and information counter, attended by highly qualified, trained and experienced personnel. Please state in detail the qualification, training and experience of

the personnel employed at reception, cash and information counters. (Separate sheets provided at the end of the questionnaire may be used for answering this question.)

7. Lobby 10N

There should be a well-appointed lobby.

Please state the area of the lobby.

8. Conference Facilities 10N

There should be one each or more of conference rooms/banquet halls and private dining rooms.

Please give the number of conference rooms/banquet halls and private dining rooms with area of each.

9. Shopping Facilities 20N

There should be bookstall, left luggage rooms, barber shop, recognized travel agency, beauty parlour, money changing and safe deposit facilities.

Note:

1. There should be a florist in a hotel of 100 rooms and above.

2. A store selling toilet requisites and medicines should be available in the premise.

(a) Is there a bookstall in your hotel? Yes/No

(b) Is there a left luggage room in your hotel? Yes/No

(c) Is there a barber shop in your hotel? Yes/No

(d) Is there a recognized travel agency in your hotel? Yes/No

(e) Is there a beauty parlour in your hotel? Yes/No

(f) Are there money changing facilities in your hotel? Yes/No

(g) Do you have safe deposit facilities for guests? Yes/No

(h) Is there a florist in your hotel? Yes/No

(i) Is there a store selling toilet requisites and medicines in your hotel? Yes/No

10. Lifts 10N

There should be an adequate number of efficient lifts in buildings of more than two storeys including the ground floor, with 24-hour service.

(a) How many floors are there in the building?

(b) How many lifts are there in the building?

(c) Please state their speed and capacity.

(d) Are these available 24 hours?

11. Furnishing of Bedrooms 25E

All guest rooms should be comfortable and spacious and well furnished with good quality, properly hung curtains, carpets etc. in good taste.

Note: New hotels are advised to employ the services of professionally qualified and experienced interior designers of repute in the designing and decoration of bedrooms.

12. Lighting 10N

Lighting arrangements and fixtures in the rooms/bathrooms/public rooms/corridors etc. should be so designed as to ensure aesthetic as well as functional excellence.

13. Telephones 10N

There should a telephone in each room and telephone for the use of guests and visitors.

(a) Is there a telephone in each room?

(b) Is/are there a telephone(s) separately for the use of guests and visitors?

(c) How many telephone lines does your hotel have on the switchboard?

(d) What is the maximum number of operators on duty and for how many hours?
Please use separate sheet provided at the end of the questionnaire for giving the educational background and training of the telephone operators, also stating their pay scales with allowances.

- 14. Radios** **5D**
There should be provision for radio or relayed music in each room.
(a) Is there a radio in each room?
(b) Is there relayed music? If so, how many channels?
- 15. Vacuum Jugs/Flasks** **5N**
There should be a vacuum jug or thermos flask with ice-cold boiled drinking water in each bedroom except where centrally chilled purified drinking water is provided.
- 16. Dining Room/Restaurant** **15E**
There should be well-equipped, well-furnished and well-maintained dining room/restaurant.
(a) How many restaurants are there in the hotel?
(b) Please give seating capacity of each.
- 17. Carpeting** **15D**
All public and private rooms should have superior quality carpets/rags, which should be well kept at all times. If the floors are not completely covered, quality of the following will be assessed.
(a) Are all public and private rooms carpeted?
(b) Please state the areas which are not carpeted.
- 18. Linen / Blankets / Towels etc.** **10N**
There should be a plentiful supply of all linen/blankets/towels etc. which should be of the highest quality available and should be spotlessly clean. Bed linen and towels should be changed every day.
- 19. Crockery** **10E**
Crockery, cutlery and glassware should be of the best quality available.
Note: No piece of crockery in use should be chipped, cracked or crazed. The silverware should be kept well-plated and polished at all times.
- 20. Bar** **10N**
Wherever admissible by law, there should be elegant, well-equipped bar/permit room with an atmosphere of comfort and luxury.
- 21. Entertainment** **10D**
There should be a special restaurant/dining room where facilities for dancing and provision of an orchestra are available. Hotels of this category should provide evidence that they have made a serious attempt to present specially Choreographed Indian entertainment.
- 22. Cuisine** **30N**
The hotel should offer both international and Indian cuisine. (The preparation, proper seasoning of dishes and presentation to customers will be assessed). What are the various types of cuisine offered by your hotel?
- 23. Food and Beverage Service**
- (a) **Restaurant Service** **25N**
While assessing this item, the organisation of the dining room/restaurant, the waiters' knowledge of the menus whether in French or English, the correct laying of tables, the variety and appearance of buffet services and the methods used to keep hot dishes at the right temperature will be assessed.

- (b) **Room Service** 20N
The methods used to ensure speedy service and hot meals will be assessed.
- (c) **Beverage Service** 15N
The provision and service of alcoholic and non-alcoholic beverages including methods used to service hot and cold beverages at the correct temperature will be assessed.
- 24. Hygiene** 20E
The kitchen, pantry and cold storage should be clean and organised for orderliness and efficiency, scientific and hygienic methods should be used in working and for the washing of glass, crockery, cutlery etc. (a) Is there a dishwashing machine in your hotel? If so, what is its capacity? (b) What steps are taken to keep the place safe from all types of pests?
- 25. Other Services** 10E
(a) 24 hours' service should be provided for reception, information and telephones.
(b) There should be provision for reliable laundry and dry cleaning service.
(c) Does your hotel have its own dry cleaning and laundry?
(d) Does the hotel accept responsibility of the damage done in washing, dry cleaning or pressing?
- 26. Staff**
There should be professionally qualified, highly trained, experienced, efficient and courteous staff. The overall component of trained staff will be assessed and marks given accordingly with a deduction in marks if the supervision is done by untrained staff.
(a) Manager 10N
(b) Executive staff 10N
(c) Other staff 20N
(d) The staff should be in smart and clean uniforms. 10N
The staff coming into contact with guests should understand English and supervisory and senior staff should possess good knowledge of English. At least, one member of the senior staff knowing at least one of the continental languages should be on duty at all times.
Note: In future classifications, knowledge of foreign language by some of the staff will be essential. Please use separate sheets provided at the end of the questionnaire for giving bio-data of directors directly concerned with the operation of the hotel, general manager, departmental manager, executive and supervisory staff including housekeeping, cooking and maintenance. The bio-data should include name, age, professional qualifications, on the job training and its duration and experience giving in detail the positions held and the duration of each and telephones.
- 27. Housekeeping** 10N
Housekeeping should be of the nicest possible standard.
- 28. Fire** 10N
I hereby solemnly declare that the information given above is correct to the best of my knowledge and belief. In the event of any of my statements found to be untrue, I fully understand that my application for approval/classification is liable to be rejected.

**Signature of the Proprietor/Managing Director/General Manager
authorized to sign on behalf of the hotel**

The Committee's Final Assessment:

Other Types of Hotels

Independent Hotels

These hotels are on an ownership basis and do not have any affiliation or contract with any other property. Also, they do not have any tie-up with any other hotels with regards to policy, procedures and financial obligations. The advantage in this type of hotel is that they need not maintain a particular image and they are not bound to maintain any set targets, but they can independently adopt quickly to the changing trends.

Management Contract Hotels

These types of hotels operate properties owned by individuals or partners. The contract is entered between the owner and the operator and usually as per the contract,

- The owner retains the legal and financial responsibilities.
- The operator pays for the operating expenses and recovers from the owner.
- The owner is responsible for paying taxes, insurance and debts.

Chains

There are many single-owned hotels, yet more and more hotels and motels are now getting affiliated to each other. This gives them the advantage of a large central organisation that provides reservation system, management aids, financial strength, expertise, manpower, specialties, merchandises and promotional help.

Affiliation

- Two or more operations belonging to some organisations; for example, Holiday Inns, Ramada, Sheraton Corp., Trusthouse Forte, Hilton Corp., Howard Johnson, Balkantourist, Day Inns, Travel Lodge, Intercontinental Hotels, Hyatt, Marriott Corp, etc. Within one chain, the type of affiliation may vary.
- A Referral Chain is made up of independently owned and operated hotel and motel and provides shared advertisement, joint reservation system and standardized quality. Virtually, there is no shared management or financial functions.
- Another chain operation is 'Multi-Unit Company', usually with a head office and several operations across the country and abroad.

Franchise Hotels—The Concept

Franchise is a system in which the franchise owner grants another hotel the right or privilege to merchandise a product or service for a specified return.

Franchise Agreement

It is an agreement under which the owner operates as a member of the chain, utilizing the brand image, name, goodwill against a certain fee. Franchise can be described as selling by the franchiser, the right to

market a proven product. Hence, major franchiser in hotel and motel business first establish the quality of their product and their expertise in the field by operating company-owned properties and only after demonstrating the success of their properties, they are able to make their franchises marketable packages. Banks and lending institutions look with favour on the better-known franchises, and are in fact reluctant, unless an affiliation with a referral organisation has been established. The most successful franchiser in the hotel industry is Holiday Inns. Other successful organisations in the field of franchise are Hilton, Marriott, Howard Johnson, Ramada Inns, etc.

Franchising must be looked at as a two-way benefit scheme. The franchiser provides certain services and conveys certain rights to the franchisee and the franchisee in turn has certain obligations to the franchiser. For uniformity, franchised units are generally standardized in terms of specific standard of furniture and decor specification, fitting, fixture and equipment specification.

Franchise Services

Franchiser provides services in three general categories as discussed below.

Methods and Systems Proven systems and established operating procedures (SOP) of a franchiser are provided to franchisee. Training programs and sessions conducted by the franchiser to the employees of franchisee.

Technical Services Franchiser provides various technical assistance in various forms such as assistance during development and construction phases, study of potential sites and its selection in obtaining finances by introducing the financiers to the franchiser, making of capital budget, feasibility studies, architectural services, purchasing services (crockery, cutlery, furniture, equipment, linen, glass ware and consumables, etc.) These are provided against a fee (that may be consolidated or separate for each service).

Marketing This includes marketing techniques, name of the franchiser and its goodwill, logo, signs, reservation system marketing, advertisement programmes, benefits (joint advertisement campaign) with franchiser, marketing packages, regional sales offices at strategic points.

Obligations of Franchisee

Definitive standard This defines all the physical characteristics, for example, size of room, size of beds, type and number of furniture, TV, etc. and also standard of swimming pool, F&B outlets, parking, etc.

Operational quality standard This defines cleanliness, behaviour and attitude of staff, quality of service, tariff, frequency of changing of linen, etc. The franchisee is required to maintain both the above types of standards as per the franchiser's requirement.

Franchise Costs and Fees

- Payment of initial fee, which is generally non-refundable in the event of termination of the agreement, either due to the action or as a result of violation by franchisee. It is based on the number of rooms.
- In addition to the initial fee, a monthly fee is also payable to the franchiser.
- Royalty based on room sales, advertising fees, reservation fees, training fees, etc.

Methods of Computing

- Fixed monthly fee
- Fixed monthly fee plus an amount per reservation originating from reservation system
- Percentage of room sales
- Percentage of total sale
- Fixed Rupee amount per available room
- Fixed Rupee amount per occupied room

A combination of two or more of these is also possible.

Franchiser rent the principal sign on a monthly basis, identifying the hotel as a member of the chain rather than selling it outright.

Some Common Requirements for Franchise Membership

- Minimum number of rooms required
- Architectural design in conformation to hotel owner's requirement
- Securitisation of location
- Certain services must be provided
- Centralized training programmes for management
- Established reputation in its category
- Certain standards regarding maintenance, operations, staffing and services.

Some Benefits of Franchise System

- Feasibility study
- Opening assistance
- OJT (on the job training) for staff
- Accounting services
- Advertising
- Central purchasing
- CRS benefits
- Financial assistance
- Discount on services and supplies
- Newsletters and brochures

International Hotels

These hotels are situated in metropolitan cities and provide modern western style luxury to their guests. They can also be called full service hotels. Many such hotels are owned by big international chains. Such hotels find good market in commercial towns.

Casino Hotels

The focus in this type of hotels is on gambling and provision of casino. Casino hotels are not there in India but are very popular in America, particularly in Las Vegas-Nevada. Renowned artists are invited for live performances to entertain the guests.

Apartotel

It is an apartment building also used as a residential hotel. Purchase of the apartment entitles full services of the hotel and during the period it is not occupied, it can be added to the hotel pool for getting income. The concept was initially developed by Melia Coy of Spain in 1970.

Auberge, Gasthof, Herberge

It is the counterpart of inn in various countries. It represents a smaller unit that may have a complimentary bar, restaurant and bedrooms for travellers. Here, emphasis is laid on eating and drinking facilities.

Boutique Hotels

It is a new concept in India. In boutique hotels each room has a distinct characteristics. It is a small but very expensive hotel. Professional but at the same time very personal and intimate services by staff are prominent feature to give guest a richer experience; each restaurant of a boutique hotel has a different entertainment concept which include lighting that changes with the mood of the guest. For more personalized services and attention restaurant are kept small. They are theme based and everything from decoration to food to service must be tuned with the theme. All amenities and services are thoughtfully designed to cater to the guests' needs.

||| OTHER TYPES OF ACCOMMODATION

Hotels, although a very important part of the tourism infrastructure, are not the only type of accommodation available for the tourists. There has been a growth and development of some other forms of accommodation over the years. It can be of various types and can be classified on the basis of its location, type of construction, type of property, type of management, etc. It is, therefore, difficult to classify these. Different terms have been used to indicate similar functions of various accommodation units. It is not possible to give a clear-cut definition of the various types of accommodation as they differ in a number of respects. A study of the different types of accommodation indicates that their diversity is a reflection of the specific nature of each one and their names simply indicate the various ways in which one and the same function can be fulfilled or the need can be satisfied.

Condominiums

Condominium development involves a joint ownership of a complex. Each owner purchases and has full benefit of an unit such as a guest room, suite, apartment or a villa and shares the cost common to the whole complex such as taxes, maintenance and upkeep of buildings and grounds, parks, tennis court, swimming pools, provision of services such as security, letting and management. Each owner can occupy or sell his unit independently but is obliged under the terms of contract to contribute towards the pool of common facilities and services. Condominiums have many advantages over simply leased property. In a condominium, the capital appreciates with rising value, particularly on coast or lake sides. It relieves the owner of maintenance and upkeep worries. The owner can enjoy extensive recreational facilities exclusive to the complex. Condominium management looks after the unit in the absence of the owner and if required, can let it to provide income. In some instances, letting or leaseback conditions

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may be written into the contract, particularly where the condominium unit in a complex may be used as a backup of a hotel operation, for example, to provide additional accommodation for conventions. It may be necessary for the developer to appoint an independent management agent in the initial stages and for subsequent control to be exercised by an association of owners. In some cases, the developer may act as an estate agent and manager.

Boarding Houses

Boarding houses are establishments that provide accommodation usually with meals and for a definite period of time (commonly for a week or longer). The facilities are generally restricted to use by resident guests. A boarding house can also be called a guest house, a private hotel, and is known in Europe as a 'pension' or a 'pension de famille', depending upon the length of stay, location, facilities and levels of sophistication of premises.

Holiday Villages

These provide extensive recreation and sporting facilities on an inclusive basis. They are available in multiple units and provide self-catering (individual kitchen) facility. In Spain, holiday villages are located in areas where contact with nature and sporting activities is possible. They have provision for green zones, playgrounds and social amenities such as library, nursery and television room.

Holiday villages provide a convertible living room, bedroom, bathroom, shower room and kitchen based on the size of family units. A wide range of sports activities such as riding, swimming, skating and golf are also provided. The design of building and landscaping is highly sophisticated (Village Equastere de Pompadour, Club Mediterranee and Correze-France) retaining the village atmosphere. Typical size ranges between 500 and 800 beds, a 600-bed capacity being considered the optimum for efficient operations with a density of between 150 and 200 beds per hectare or between 60 and 80 beds per acre.

Specific regulations apply in Spain and holiday villages are classified into three categories according to amenities and services. In France, regulatory standards apply to commercial holiday villages and to non-commercial establishments like those of the association Villages Vacances Families (VVF), which in 1973 was responsible for 70 villages and family lodges that provide 33,000 beds.

Time Share

This concept, also known as 'vacation ownership' or 'holiday ownership' concept, is also becoming extremely popular these days. According to this concept, for a set period, which may be one week or more each year and for a number of years, the person gets the right to enjoy the stay and other facilities and services in an apartment or any other type of lodging in a tourist complex. It is like an advance purchase of time in holiday accommodation. The purchaser has to pay a one-time capital sum and then an annual contribution towards the maintenance of the property. The fee usually covers services such as cleaning and maintenance of apartment and public areas, electricity, gas and water, insurance, operation of resort facilities (like swimming pool), local taxes and sinking funds for redecoration and replacement of equipment. The 'time share' concept started as early as 1960. Alexander Nelte, a German who was the manager of a hotel in Ticino, developed this concept and created a company called Hapimag based in Switzerland.

Further in 1967, another innovative developer introduced the concept at Superdevolur ski resort. The sales slogan was: ‘Stop renting a room—buy the hotel—it’s cheaper!’ Although the time share concept initially developed in Europe but it was soon adopted by the US. Soon, the developer came to understand a serious drawback of the concept, i.e., lack of flexibility. In 1974, the solution to this drawback came with the development of the concept of exchange system RCI. In 1976, another company Interval International was formed with the same concept. Subsequently, the idea trickled down to Mexico from the US and came back to Europe in the 1980s. The British Holiday market in Canary Islands and the Costa Del Sol of Spain are considered as the beginning of its success story in Europe. The concept is also being appreciated in India and many companies such as Avelon Resorts and Sterling Holiday Resorts, Mahindra Holidaying and Nanda Tourist Corporation are promoting this concept and the growth of timeshares is at an annual rate of 15% since 1980. This growth can be compared with that of travel and tourism growth rate of 4% and hotel accommodation growth rate of 2% in the same period.

Supplementary Accommodation

Tourist accommodation need not be viewed from the point of view of hotels alone. In addition to hotels, the demand for tourist accommodation is met by a variety of facilities. There are a series of other installations that are able to offer to the tourists lodging, food and corresponding services. This is popularly known as *supplementary accommodation* and is in fact an important segment of tourism.

Supplementary accommodation consists of various types of accommodation, other than the conventional hotel type. It may be described as premises that offer accommodation but not the services of a hotel. All the establishments under the heading of supplementary accommodation are designed to offer accommodation in the broad sense of the term, namely, the possibility of overnight stay and meals in return of cash payment per day and on the basis of the services provided. In supplementary accommodation, the standard of comforts is modest as compared to that of a hotel. On the other hand, however, there are certain inherent advantages in this type of accommodation. The biggest advantage is the price. The supplementary accommodation, as compared to the conventional type of accommodation, is moderately priced. In addition, the atmosphere in the accommodation is informal and there is more freedom with regard to dress, etc. There is also more emphasis on entertainment and sports resulting in an increased social contact among the guests.

Supplementary accommodation plays a very important role in the total available tourist accommodation in a country. This type of accommodation can cater to both international as well as domestic tourist traffic. In fact, in some countries more tourists utilise this type of accommodation than hotels. The main distinguishing features of supplementary accommodation are:

- (a) The standard of comfort is moderate as compared with a hotel.
- (b) It is sold at lower price.
- (c) It has an informal atmosphere.

Some examples of supplementary accommodation are given below.

Guest Houses

These are the accommodation at very reasonable price and have very basic facilities like room and normal food.

Youth Hostels

These mainly cater to youth. Besides rooms, youth hostels also have dormitory facility. YMCA is one such example.

Dormitories

These are the kinds of accommodation where many people can stay together in a big hall. Toilet and bathroom are common for all.

Floatels

As the name suggests, a floatel is located on the surface of the water. It may be on sea water, river water or on a lake. All the facilities and services of a hotel are provided here. Floatels are very popular in many countries. In many countries, old luxury ships have been converted into floating hotels and are very popular among tourists. The atmosphere they provide is exclusive and exotic.

Boatels

These are the accommodation on boat, e.g. house boat.

Rotels

These are accommodation on wheels, e.g. caravan and palace-on-wheels.

Holiday Homes

These are the simple kinds of accommodation run by different company or organisation in tourist spots, mainly for their employees. They are heavily subsidised by the company.

Dharamsalas

These are the accommodation at religious places mainly maintained by religious charitable trusts, e.g. Bharat Sevashram Sangh. Mostly it is complementary and run on donation.

Paying Guest Accommodations These are offered by family on payment.

Inspection Bungalows, Dak Bungalows and Circuit Houses

Dak bungalow, circuit house, inspection bungle and forest lodge are also called government houses. All these were started during British Raj in India. Dak bungalows were for postal couriers to rest while circuit houses were for higher ranked officers. Forest lodges were made for the forest officials. Inspection bungalows were made for the officials engaged in inspection of government's ongoing projects. All these establishments have caretakers, who are generally multiskilled. These are still in use in independent India.

Sanitarium - A resort for improvement or maintenance of health, especially for convalescents.

Paying Guest Accommodations – a kind of accommodation offered by family on payment.

ORGANISATION OF HOTELS

A hotel is an organisation made up of different departments, all of which have to work in close coordination for the efficient and effective working of the organisation. Some departments are more important as far as revenue is concerned; some do not produce revenue but are very important from the operational point of view. Thus, the departments of a hotel can be classified under three main headings (see Fig. 1.1):

1. Operating and revenue producing
2. Operating and non-revenue producing
3. Non-operating and revenue producing

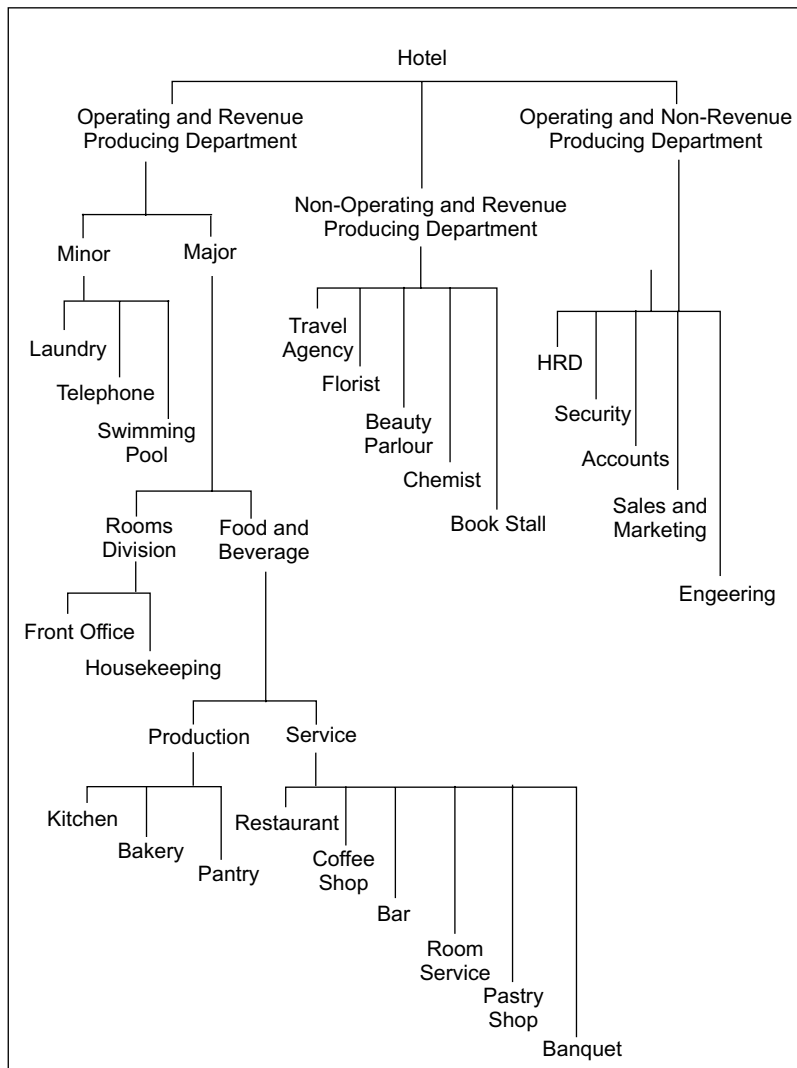


Fig. 1.1 Organisation of a Hotel

Operating and Revenue Producing Departments

Minor revenue producing departments

Laundry: The hotel may have its own laundry or may have a contract with an outside laundry. In any case, laundry of guests' articles is a facility provided by hotels and is charged for.

Telephone: Guests are charged for local and long-distance calls, either by the telephone operator or in case of direct dialing, by the telephone meters. In a small hotel, there would be just a small switchboard, probably operated by the receptionists. In large hotels, there is a separate telephone section, where the operation is handled by the operators in shifts.

Swimming Pool: Though hotel guests are not charged for this facility, their guests may be charged for using the pool. Many hotels offer a free swim along with a buffet lunch (charged per head) set up near the poolside. Some hotels also have paid members for using pool facility.

Major Revenue Producing Departments

Rooms Division: Two departments constitute the rooms division—front office and housekeeping. They are connected with the sale of rooms. Front office is connected with the actual sale of rooms and hence comes in direct contact with the guests. Housekeeping is concerned with keeping the guests' rooms clean and in a position to be sold. Though housekeeping is a behind-the-scene activity, it is extremely important.

Food and Beverage Department: The Food and Beverage Department has two divisions:

- ∑ Food and Beverage Production
- Food and Beverage Service

The Food and Beverage Production Department includes the kitchens, bakery, confectionary, stores and pantry. All these areas work behind the scene, also called the back area, and are involved in the preparation of food right from receiving and storing of raw materials to the final preparation of the food items.

The Food and Beverage Service Department includes all the service outlets, where prepared food (prepared by the Food and Beverage Production) is sold to the guests. These service outlets are also called Point of Sale (POS). Some of the Food and Beverage Service outlets are discussed below.

Restaurants These include general as well as specialty restaurants and have fixed hours of operation, generally 12 noon to 3 pm for lunch and 7 pm to 12 midnight for dinner.

Coffee Shop A coffee shop is open round-the-clock and serves mainly snacks and beverages. Heavy meals are served during lunch and dinner time. A coffee shop generally has an informal atmosphere and normally adopts pre-plated service.

Bar This is an outlet that serves mainly alcoholic and non-alcoholic beverages along with snacks. A permit is required to open a bar and it has a fixed hours of operation. It generally operates from afternoon to late in the evenings.

Banquet It is a major revenue-producing department among all the food and beverage service outlets. It caters to a group of people at a time and the same menu is offered to all the guests. Some of the banquets functions are wedding dinners, luncheons, conferences, club meetings, outdoor catering and so on.

Room Service From this outlet, food is served in the guest rooms as per the order by the guests. It operates round-the-clock. Both food and beverages are served by them.

Operating and Non-Revenue Producing Departments

Human Resource (Personnel) Department: This department deals with recruitment and training of employees and trainees. It is also responsible for staff induction, promotions, appraisal, staff welfare and so on.

Security: This is a department that is responsible for the safety and security of the hotel, its employees and guests as well. This department also deals with all unusual events in the hotel.

Accounts: This department is responsible for all financial activities of the hotel. All transactions taking place in the hotel are either directed through this department or are intimated through various vouchers. It also maintains all the financial records and help in budgeting and evaluation of the total operation of the hotel.

Sales and Marketing: This department is concerned with getting and maintaining clientele for both the rooms division and Food and Beverage Department of the hotel. It also maintains and improves the goodwill of the hotel in the market.

Engineering: This department is responsible for the total maintenance and upkeep of rooms and public area, which includes air conditioning, elevators, plumbing, electricity, lighting, carpentry and so on.

Non-Operating and Revenue Producing Departments

These departments include travel agencies and airline offices, bookshops, chemists shop, florists, bank, beauty parlour, etc. They may either be let out on commission basis or on rents. They are also called concessionaires. Extreme care should be taken before selecting these concessionaires. Their reputation is one of the major factors in the selection procedure as they will deal with hotel guests.

SUMMARY

In this chapter, we have highlighted the differences between industry and organization and learned how important facilities are being provided by hospitality organisations. We have also gained an insight into the important qualities that we need to develop besides our academics to succeed in this profession. This chapter has also discussed why in the hospitality industry customers are called guests. The service culture has been discussed in detail and its importance in making the guests happy and running successful hospitality business has been emphasized. It has also highlighted the importance of the kind of relation we maintain with our guests and touches upon the fallout of a spoiled relation. This chapter has also delved into the various

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factors contributing in the growth of tourism—economical, social and technological growth. We have further understood the basic elements of tourism and have gained a idea about how hotel industry has grown over the years from *musafir khanas* and *sarais* to modern-day hotel chains. In the later part of the chapter, we have learned how hotels are classified according to size, location, clientele and facilities and how a hotel is graded according to star classification. The chapter has also touched upon various departments in a hotel—operating and revenue producing, operating and non-revenue producing and non-operating and revenue producing.

KEY TERMS

Hospitality
Guest

Communication skills
Service culture

Positive attitude
Elements of tourism

REVIEW QUESTIONS

1. What are the different facilities provided by the hospitality industry? Discuss with examples.
2. Discuss various kinds of hospitality organisations and their brief operations.
3. What are the qualities that need to be developed for becoming a successful hospitality manager?
4. In the modern concept, why is hotel no more described as ‘a home away from home’?
5. Why are customers called guests in the hospitality industry?
6. What kind of relation we maintain with our guests and what steps we should take to retain them?
7. What is service culture? Why is it important? How can we develop service culture?
8. Discuss the various reasons for modern tourism development.
9. Elaborate basic elements of tourism.
10. Discuss *Musafir Khanas* and *Sarais*.
11. Mention and discuss some of the important hotel chains of India.
12. Discuss in brief the history of the development of hotels.
13. How would you classify different hotels?
14. Describe in detail the star gradation process of hotels.
15. Discuss in detail the major and minor revenue-producing departments of a hotel.

PROJECT WORKS

Refer to the websites of various hotel groups in India and prepare a detail presentation of each group.

Chapter TWO

Front Office in Hotels

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Describe different types of rooms and food plans available in hotels*
- » *Understand basis of charging room rent and tariff structure*
- » *Get an idea of the functional and staff organisation of a hotel with their job descriptions*
- » *Know the importance of interdepartmental coordination*

||| TYPES OF ROOMS

Various types of rooms are available in a hotel. However, there are some common types of rooms. Other than these, a few special types of rooms are also available. Common types of rooms are available in all types of hotels, whether it is commercial hotel, resort hotel, transit or any other type of hotel. A majority of rooms in hotels are of common type, whereas special types of rooms are not available in all hotels. They are made according to the need and demand of customers with specific features. We will discuss both common and special types of rooms below.

Common Types of rooms

There are a few standard types of rooms in a hotel. They can be categorised as follows.

Single Room

A room with one single bed, meant for only one person, is called a single room (Fig. 2.1). It is abbreviated as SGL and the symbol is minus sign (-).

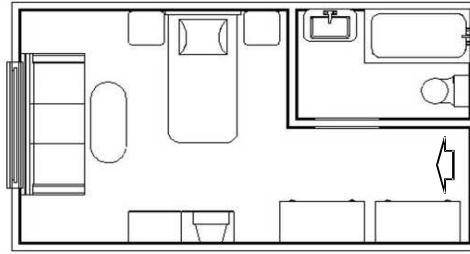


Fig. 2.1 *Single room*

Twin Room

A room with two single beds, separated from each other and meant for two persons, is called a twin room (Fig. 2.2). It is abbreviated as TBR and the symbol is equal to sign (=).

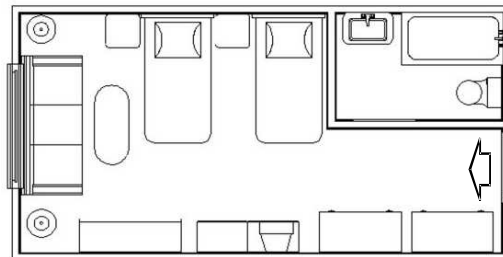


Fig. 2.2 *Twin room*

Double Room

A room with one composite double bed, meant for two persons, is called a double room (Fig. 2.3). It is abbreviated as DBL and the symbol is plus sign (+). They are normally rented to couples.

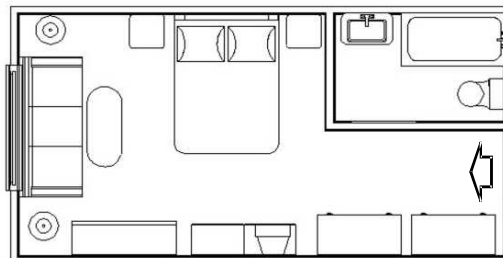


Fig. 2.3 *Double room*

Suite

This is an apartment that has one bedroom with one composite double bed, a parlour and a dining space (Fig. 2.4). It is abbreviated as S. Besides the room number, every suite has a name based normally on the colour scheme, style and decor, e.g., Jaipur Suite and Presidential Suite. In a suite, the furniture, furnishings and fittings are posh and these rooms are the most expensive ones in the hotel.

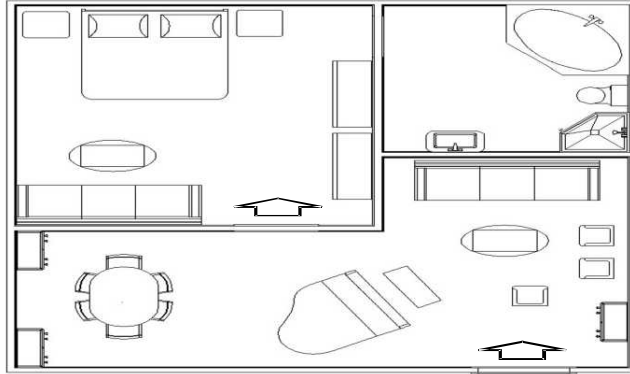


Fig.2.4 Suite

Table 2.1 lists out standard size of different types of rooms in hotels.

Table 2.1 Standard Size of Rooms

CATEGORY OF HOTEL AND TYPE OF ROOM	STANDARD AREA OF BEDROOM AND BATHROOM
5-star and 5-star deluxe ▶ Single ▶ Double ▶ Bathroom	▶ 180 sq ft ▶ 200 sq ft ▶ 45 sq ft
4-star and 3-star ▶ Single ▶ Double ▶ Bathroom	▶ 120 sq ft ▶ 140 sq ft ▶ 36 sq ft
2-star and 1-star ▶ Single ▶ Double ▶ Bathroom	▶ ▶ 100 sq ft ▶ 120 sq ft ▶ 30 sq ft

Special types of Rooms

These rooms are not necessarily found in every hotel. The following are the special types of rooms found in some hotels, depending on the demand and need of the targeted customer segment.

Cabana

It is a room situated away from the main building, near the swimming pool, which is used mainly for changing or resting purpose and is rented on hourly basis. Cabana may or may not have a bed; instead a pool chair may be provided. Dispense bar is optional.

Duplex

Duplex is a room with two levels under one roof. The upper level is used as a bedroom and the lower level as a parlour, living or sitting room (also called salon). Both the levels are connected by an internal staircase. Duplex room are generally found in commercial hotels.

Efficiency Room

An efficiency room has kitchen facility and is generally found in resort hotels.

Hollywood Twin-Bedded Room

It consists of twin rooms with one common bed head (headboard).

Hospitality Room

It is a room that can be used by the resident guests to entertain their own guests. These rooms are rented on hourly basis. In hospitality rooms, beds are not provided and only sitting arrangement is provided. They are commonly found in commercial hotels.

Interconnected Room

An interconnected room has two rooms adjacent to each other with an interconnecting door, which allows entry from one room to other without having to go through the corridor. The interconnecting door can be locked to discontinue its use and opened when required. Hence, interconnected rooms can be sold to families or to individual guests. Of the two rooms, one room is double and the other is a twin.

Junior Suite

It is a large room converted to a suite by a partition (preferably wooden). The family rooms of old hotels are now being converted to junior suites. They are not as expensive as suites but are priced higher than the regular rooms.

Lanai

Lanai is a room with a good view, normally of hills, sea, garden, mountain and so on.

Murphy-Bedded Room

A room with a Murphy bed is known as a Murphy-Bedded Room (MBR). A Murphy bed is one that can be folded against the wall. Murphy-bedded rooms provide a larger floor area and are generally found in commercial hotels.

Penthouse Suite

Such a room is situated at the terrace level and a part of the suite, generally a part of the parlour, is open to the sky. Penthouse suites are generally offered to honeymoon couples.

Studio Room

A room that has one single bed and a few couches or sofas that can be converted to a bed is called studio room. Such rooms are mostly found in commercial hotels.

Quad

This type of room has four beds that provide sleeping accommodation for four individuals.

||| FOOD PLANS

Food plan is a scheme or a package in which a hotel offers accommodation as well as food to the guests against a fixed rate. The following food plans are commonly available in hotels.

European Plan (EP)

Under this plan, the guest is offered only accommodation. Early Morning Tea (EMT) is optional.

Continental Plan (CP)

Under this plan, the guest is offered accommodation along with Continental Breakfast. Early Morning Tea (EMT) is optional.

Bermuda Plan (BP)

Under this plan, the guest is offered accommodation along with American Breakfast. Early Morning Tea (EMT) is optional.

American Plan (AP)

Under this plan, the guest is offered accommodation along with two major meals and two minor meals. Early Morning Tea (EMT) is optional. Lunch and dinner are called major meals, while breakfast, elevenses, brunch and evening tea are called minor meals. But nowadays, many hotels provide breakfast, lunch and dinner and exclude evening tea under this plan.

Modified American Plan (MAP)

Under this plan, the guest is offered accommodation along with one major meal and one minor meal. Early Morning Tea (EMT) is optional. The most common is breakfast and lunch or dinner.

Go Plan

This is not a food plan in its broadest sense but is a kind of service provided by chain hotels. In this plan, a guest is provided with temporary credit facility and they can settle their bills at the last unit (stay) of their tour programme.

Continental breakfast

- Fruit juice (fresh/canned) ——
- Bread/toast (served with butter and preserves) ——
- Tea/coffee

(**Note:** Jam, jelly, marmalade and honey together are called preserves.)

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Guests who come through travel agents or company attached to the hotel as well as the regular guests can avail of this facility.

EP, CP, BP are the popular plans adopted by Commercial and Transit Hotels. They mostly have businessmen as clients, who normally have their major meals in independent restaurants. The Commercial hotels also get plenty of walk-in guests and are not mainly dependent on resident guests for their F&B revenue, whereas MAP and AP are generally popular in resort hotels.

American Breakfast

- Fruit juice (fresh/canned)
- Cereals (cornflakes, porridge, etc.)
Served with hot or cold milk
- Bread/Toast
(Served with butter and preserves)
- Eggs to Order
- Tea/Coffee

CRITERIA OF CHARGING ROOM RENT

There are three ways of charging room rents:

- 24-hour basis
- Night spent basis
- Check-out time basis

Before we elaborate we must understand the following terms

1. **Check-in Time** This is the time when a guest arrives in a hotel to stay.
2. **Check-out Time** The time when a guest leaves or vacates his room is called the check-out time.

24-Hour Basis

The guideline under this basis for the purpose of calculating the room rent is the check-in time (the time when a guest arrives in a hotel to stay). A guest has to pay for one day or 24 hours calculated from the check-in time. Under this basis and other basis as well, whether the guest stays for a full period or a part of it, the minimum charge will be for a day. This basis is usually adopted by Resort Hotels.

Night Spent Basis or Night Basis

Under this plan, the guideline for the purpose of calculating room rent is the number of nights spent by the guest. This basis is usually adopted by Motels. The time of night is specified in such a case and usually starts at 1930 hours or before the dinner time. In fact, only the number of nights is taken into consideration with respect to the check-in time. Even if a guest does not spend a night, but stays during the daytime, he/she still has to pay one day's room rent.

Check-Out Time (COT) Basis

This is the most popular plan, mainly adopted by Commercial Hotels, Transit Hotels and sometimes Resort Hotels. Under this scheme, the guideline for the purpose of calculating the room rent is the check-out time, i.e., by which time a guest will have to vacate the rooms. The Check-Out Time (COT) is fixed by the hotel. If a guest stays beyond COT, he/she is charged for another day. Further, the guests are charged for the number of hotel days only. A hotel day is a cycle of 24 hours that starts from the check-in time and ends at check-out time. For example, if a hotel has COT at 12 noon, then a guest checking in at 12 noon can stay till next day 12 noon (i.e., for 24 hours) by paying one day's charge, whereas a guest

checking in at 1600 hours can stay till 12 noon next day (i.e., for 20 hours) by paying the room rent of one day. Similarly, if a guest checking in at 1000 hours on one day and leaving the hotel at 1400 hours on the same day has to pay two days' room rent as he/she has stayed in two different hotel days.

The selection of check-out time depends on the time when the maximum number of flights, long-distance trains and busses arrive in the city. It is popular because both guests and hotel can benefit. It is beneficial for a walk-in guest as he/she can expect a vacant room at the check-out time. Adopting this basis, a hotel can plan its schedule and deploy more staff during the shift so that more clean rooms are available for sale.

Day Use Basis

This is also known as day basis. This is not an independent basis of charging room rent and is adopted by hotels in combination with some other basis of charging room rent. As per this plan, guests are allowed to use rooms during the daytime only and for a maximum period of six hours. Transit hotels and commercial hotels use this scheme, along with check-out time basis, generally during lean season to attract more business, and also offer a maximum discount of 50 percent.

ROOM PRICING METHODS

The various ways in which a room in a hotel is priced are cost based method and Hubbart formula.

Cost-based pricing: Rule of 1:1000

This is the simplest of the cost-based systems. It states that you should charge approximately Re 1 per night for every Rs 1000 of the room cost. It also works in other currencies. If your room cost was Rs 100,000, your room rate should be around Rs 100 per night.

The rule was devised a long time ago, when rates of interest and expectations about appropriate rates of return were very different, but it still reflects the fundamental importance of fixed costs in determining a hotel's profitability. If you build a hotel in a major metropolitan city centre, you have to pay a high price for the land. This forms a major part of the room cost, which might well exceed Rs 10,000,000. As the 1:1000 rule indicates, you would then have to charge Rs 10,000 per night to have any chance of recovering your investment. This helps explain metropolitan city centre room rates.

'Room cost', incidentally, includes the cost of the public areas as well, which are averaged out over the rooms as a whole. Essentially, the calculation is

$$\frac{\text{Cost of Land + Buildings + Fixtures and Fittings}}{\text{Number of Rooms}} = \text{Room Cost}$$

The 1:1000 rule ignores inflation, but it is obvious that this needs to be taken into account. Many rooms built at the beginning of the twentieth century cost a few thousand rupees each, rather than tens of thousands. It would be unreasonable for such hotels to be charging just a few hundred rupees per night today. In applying the rule, therefore, it is better to take the current cost of building an equivalent room, rather than the historical cost, which may possibly be misleading.

With this reservation, the rule still offers a rough and ready guide to hotel prices. It is not at all precise, but if you know (say) that a group with a number of hotels totalling 1000 rooms has just been bought for Rs 300,00,00,000, then you can assume with some confidence that the average room rate will be closer to Rs 3000 per night, than Rs 2000 or Rs 4000.

Hubbart formula

Hubbart formula is a method of establishing an average room rate for a new hotel. The basic calculation is

$$\frac{[\text{Operating Costs} + \text{Required Return} - \text{Income from other departments}]}{\text{Expected Number of Room Nights}} = \text{Average Room Rate}$$

However, in practice, this formula is far more complicated and the room rate is calculated in the following steps:

1. Take the total amount invested in the hotel (this will include both the share capital and any long-term loans such as debentures) and decide on the rate of return required on this investment.
2. Estimate the overhead expenses (interest, administration, air conditioning and lighting, repairs, etc.) for the next year.
3. Combine 1 and 2 to find the required gross operating income (in other words, the amount you need to make to cover your expenses and keep your investors satisfied).
4. Estimate the probable profits from all other sources other than rooms (i.e., restaurant, bars, health clubs, concessionary shops, etc).
5. Deduct 4 from 3 to find out how much profit you need to make from room lettings.
6. Estimate the accommodation department's expenses for the next year.
7. Add 5 and 6 to find out how much you need to make from the rooms.
8. Estimate the number of room nights you are likely to achieve per annum (this may be established by taking regional tourist office averages for comparable hotels).
9. Divide 7 by 8 to find out the average room rate you should charge.

Let us now look at a practical example.

Raju Bharat has bought a plot of land in order to build a hotel on it. His architect calculates that he can fit 20 rooms onto the site and the appropriate car parking and access routes, a restaurant, a small swimming pool and the necessary stores and offices. He estimates that the land and buildings will cost him Rs 150,00,000, the fixtures and fittings another Rs 30,00,000 and that he will need another Rs 3,00,000 for initial working capital. He proposes to borrow Rs 15,00,000 by means of 12 per cent debentures and to raise the remainder of the capital required by issuing shares at a premium.

Raju decides that he wants a return of 18 percent on his investment, though he recognises that about a third of this will be taken in tax. He prepares estimates of the operating costs, etc. and goes on to calculate the required average room rate (see the above steps).

You will notice that this average room rate bears out the 1:1000 rule. The room cost was about Rs 9,00,000 (total cost Rs 180,00,000 divided by 20), and the rule predicts that the average room rate should be around Rs 900. Our example may seem a little contrived, but we have used fairly 'standard' ratios in preparing Raju's forecasts for him, and even if we change some of these we would still expect the result to be somewhere in a range of Rs 750 to Rs 1050 per night. This suggests that the 1:1000 rule still has some validity.

ROOM TARIFF

Room rates of hotels are technically known as tariff. It is statutory for a hotel to display its tariff to the guests. There are two ways to display a tariff structure—tariff card and tariff board.

A *tariff card* is used in large- and medium-sized hotels. These cards have details of the rooms. These are available at the Reception Desk and also in each and every guest room. A *tariff board*, on the other

hand, is used in small-sized hotels. It is placed behind the Reception Counter, where it is visible to all the guests.

The following information is obtained through a tariff card:

1. Room rates against each plan
2. Government taxes as applicable, e.g. expenditure tax and entertainment tax
3. Other charges levied by the management of the hotel, e.g. service charge
4. Basis of charging room rents
5. Brief description of the facilities available in the hotel

The various taxes applicable vary from place to place depending on the government policies.

The room rate printed on the tariff card/board is called the *rack rate* and is the highest-quoted rates offered generally to the walk-in guests.

Figure 2.5 shows sample of a tariff card.

<i>Tariff Card</i>	
<p><i>Indian Hotel</i></p> <p><i>A super deluxe hotel set amidst lush green landscaped lawns, in the heart of the city.</i></p> <p><i>The hotel has 350 rooms and suites, centrally air-conditioned, direct dial telephone, mini bar and internet, in all rooms. It has five restaurants serving Indian, Oriental and European cuisines and two Bars.</i></p> <p><i>Other facilities provide dare Swimming Pool, SecretarialService, HealthClub, Travel Desk, Car Rental, Bank, Chemist, and 24 hours BusinessCentre.</i></p> <p><i>Arrangements can be made for Golf, Tennis, Surfing, Horse Riding and City Tour.</i></p>	<p style="text-align: center;">COT : 12 noon</p> <p style="text-align: center;"><i>Single Occupancy</i></p> <p>EP Rs. 4000.00</p> <p>CP Rs. 5000.00</p> <p>AP Rs. 8000.00</p> <p>MAP Rs. 6500.00</p> <p style="text-align: center;"><i>Double Occupancy</i></p> <p>EP Rs. 7000.00</p> <p>CP Rs. 8500.00</p> <p>AP Rs. 10000.00</p> <p>MAP Rs. 9500.00</p> <p style="text-align: center;"><i>Suites</i></p> <p>EP Rs. 12000.00</p> <p>CP Rs. 14000.00</p> <p>AP Rs. 18000.00</p> <p>MAP Rs. 16500.00</p> <p style="text-align: center;">(Above rates are excluding taxes)</p> <p style="text-align: center;">Luxury Tax - 10%</p> <p style="text-align: center;">Expenditure Tax - 10%</p> <p style="text-align: center;">For Group Booking please contact Reservation Manager</p>

Front Side

Back Side

Note: Packages, plans and discounted rates can be negotiated at the time of reservation.

Fig. 2.5 *Tariff card*

Special Rates

There are certain circumstances when special reduced rates or discounts may be offered. The special rates are discussed below.

Package Rate

It covers all expenses of accommodation, food, transportation, sightseeing, entertainment and so on. Package rates are offered normally for a fixed period of time, e.g., four days and three nights.

Group Rate

Groups are given special discounted rates. Groups of 15–30 people are given one complimentary room for the Group Leader; groups of 30–45 pax are given two complimentary rooms and for bigger groups the number of complimentary rooms provided depends on the management of the hotel.

Company Guaranteed Rate (CGR)

Companies that give regular guaranteed business to the hotel are given discounts. The percentage of discount depends on the volume of the agreed business given by the companies.

Promotional Rate

For publicity and promotion, special discounted rates are offered to CIPs. These discounts are authorised by senior staff members.

Off-Season Rates

Resorts usually have separate tariff for peak season and off season. The off-season rates are much lower than shoulder season.

Staff Discount

In chain hotels, employees may be given discounts on room rates for hotels belonging to that chain. This is given on space availability basis.

Airline Crew Discount

For their crew members, airlines are given a fixed discounted rate.

Crib Rate

Reduced rates are applicable for children below five years.

Extra Bed

A fixed charge generally one-fourth of the room rate is charged.

In addition to the above rates, other hoteliers and FHRAI members are given discount, which is normally 20 percent.

Factors for Fixing Tariff

A hotel fixes the room tariff keeping considering the following factors.

Competitors Price

Rates must be competitive with other hotels of the same standard providing almost similar services and facilities and situated in the same vicinity of the city. At the same time, the rates should be able to produce adequate revenue to meet fixed obligations.

Profile of Customers

The category of customers coming to your hotel must also be considered. Their social status and financial status, i.e., paying capacity, should be kept in mind.

Service Standards

Standards of services provided by the hotel are also important while fixing room tariff. The USP of the hotel should be kept in mind while deciding the room tariff. More the amenities, higher the standard, and so also higher the room rate.

Price Cuts for Special Business

At times, price cuts for special business may be adopted. But it makes sense only if, it is necessary to cut the price in order to get business. The price of business is income, which you would not get otherwise, and it comes at a fixed time of the year or day of the week when you need business. It should be remembered that the price of business cannot replace other more profitable business.

Location

The locality in which the hotel is situated gains prominence while fixing room rates. If the hotel is situated in a posh locality, with all the shopping and other facilities and easy connectivity to airports and railway stations, the room rate would be comparatively higher than the hotels situated in far-off localities and in areas with less facilities. Naturally, the guests would not mind paying more if they get amenities and facilities to their taste and liking.

Value of Real Estate

Surroundings are also given careful consideration because the hotel proprietor spends lakhs of rupees on the decor and furnishing and thus needs a fair and equitable return on his/her investment.

Various Amenities

Various amenities a hotel is going to provide to the guests may be air-conditioning in all rooms, carpeting, provision of swimming pool, tennis court, floor shows, games, banqueting, conference halls, lawns, parking spaces, special arrangements of various specialty cuisine, expensive cutlery and crockery, modern equipment and machinery. These all things are considered when fixing room rates.

Location of Rooms in the Hotel

The location of the room also matters a lot. Front rooms and rooms with better views would cost more than dark rooms, corner rooms or rooms not having a good view.

Publicity and Promotion

The amount of publicity done by a hotel and special budgets prescribed for hotel publicity also matter in deciding the room rates. This type of expense has to be adjusted somehow as it has no source of return but is a must in popularizing the various services of a hotel.

FUNCTIONAL ORGANISATION OF FRONT OFFICE DEPARTMENT

The ‘front office’, as the name signifies, deals with all the activities in the ‘front of the house’. As the front office is the first department that the guest comes into contact with, it is through this department that the guest forms his/her opinion about the hotel. So, the staff should always be on their very best when dealing with the guest. The front office department consists of groups of brilliant, efficient and ever-smiling staff that resemble and focus the organisation in the initial seconds of guest contact, giving him/her the feeling of the best in the hospitality movement that has influenced the modern human generation.

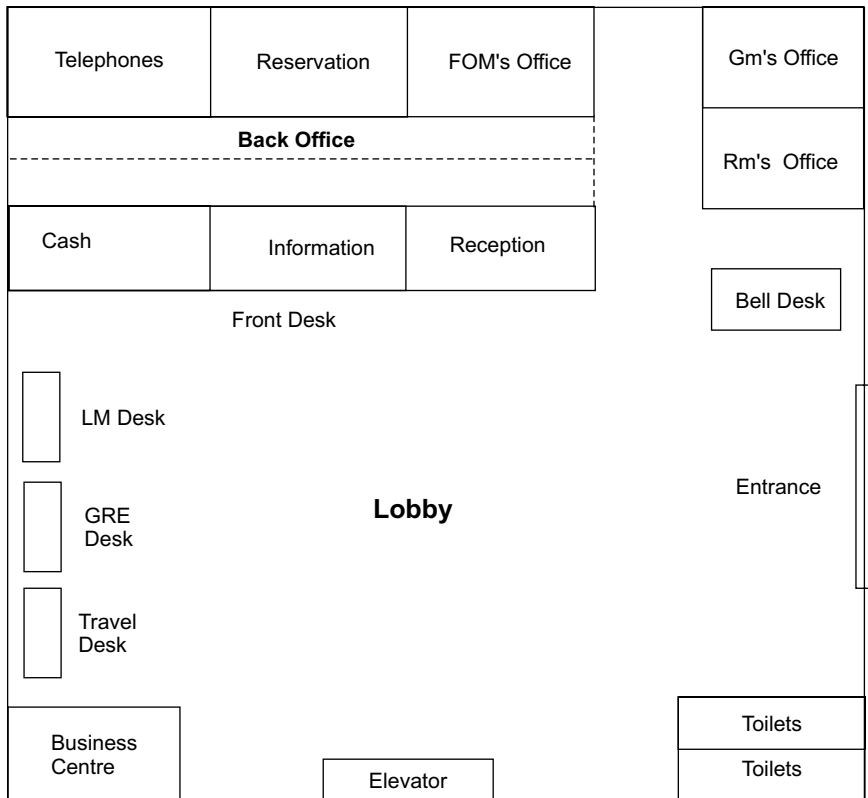


Fig. 2.6 Classical layout of front office department

The front office department's motivated workforce strives to achieve the highest level of performance in meeting the needs of their guests. With their traditional commitment to serve, the staff strives endlessly to ensure total guest satisfaction and loyalty. And this is the feeling that makes a whole world of difference. The front office department is divided into eight distinct sections according to their nature of functions:

1. Reservation
2. Reception/registration
3. Information
4. Cash
5. Concierge and bell service
6. Telephones
7. Travel desk
8. Business centre

Travel desk and business centre are mainly found in commercial hotel and are not common in other types of hotels discussed previously. Figure 2.6 shows layout of the front office department of a hotel.

Functions of Various Sections

Let us now discuss the functions of various sections in brief. We will discuss them in detail in forthcoming chapters.

Reservation

The main function of reservation section is to receive the reservation request through various modes and to generate records for processing. Besides this, there are two subsidiary functions called cancellation and amendment. The reservation counter also prepares the expected arrival list for the next day and sends it along with the correspondence file to the reception.

Reception/Registration

The most important function of reception is to welcome the guests when they check in at the hotel. The guest fills up the registration card with the help of the receptionist. Registration of guests is mandatory for all status of guests, including VIP/VVIP. Another important function of reception is to take bookings of the same day. Cancellations/amendments of the same day are also handled by the reception. The reception answers all phone calls regarding guest, restaurants and expected arrivals and so on.

Information

This section of the front office is responsible for the following functions:

- Maintaining guests' alphabetical index rack
- Handling guest room keys
- Handling guests' mails
- Handling guests' messages
- Handling guests' complaints
- Organising paging

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- Providing information regarding city and hotel

Cash and Bill

This section is responsible for maintaining the guest bills and help the guest to settle their bills at the time of departure. This section also handles safety lockers.

Concierge and Bell Desk

This section performs the following functions:

- Handles baggage for all check-ins and checkouts.
- Delivers messages, telex and faxes and any other items to and from the guests.
- Delivers newspapers (morning and evening).
- Gives physical wake-up calls to guests who do not answer their telephonic wake-up calls.
- Handles paging (a procedure to locate a resident guest from the public area of the hotel) in the lobby, restaurants and in other public areas.
- Helps in room change of guests.
- Performs other functions like
 - Opening double-locked rooms
 - Placing personalised stationery in guest rooms after getting it from the hospitality desk
 - Placing any item in the absence of the guest on the instruction of the duty manager
- Keeps baggage on hold for guest in-house as well as for the awaited arrivals
- Assists guests in packing
- Sells postage stamps

Telephones

Any call that comes to the hotel goes first to the telephone section. The telephone operator accordingly passes the call to the various departments in the hotel. Thus, this section is responsible for handling all incoming and outgoing calls both for guests and management. It also gives wake-up calls. The telephone section also sets DND (Do Not Disturb) on the phone, if the guest asks for it, thus preventing all incoming calls from going through, and carries out paging for all the executives via telephones.

Travel Desk

This section is responsible for all travel logistics for the guests, such as airport/station pick up and drop. It is also responsible for organising city tour and business tour for the guests. Most of the business hotels have their own fleet of cars for this service.

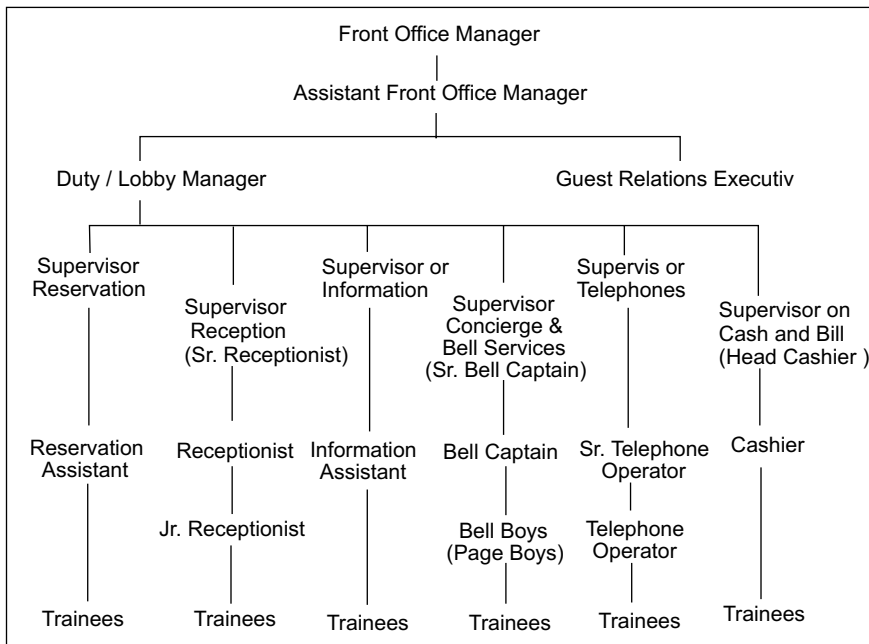
Business Centre

This section is a must for any commercial/business hotel. As main clientele of this type of hotel are businessmen, they need certain facilities during their stay, which is provided by the business centre. The facilities available in the business centre are as follows:

- A small reference library
- A small conference/boardroom, which can accommodate 6 to 8 guests
- A room with computer and Internet facilities
- Photocopying facility
- Typing and printing facility
- Fax facility
- Binding of guest documents
- Secretarial service

FRONT OFFICE STAFF AND JOB DESCRIPTION

Figure 2.7 illustrates classical front office staff organisation applicable for large hotels. It may vary from one hotel to another, depending on the size as well as the policies of the hotel.



Front Office Staff Organisation

Fig. 2.7 Front office organisation

Qualities of a Good Front Office Employee

When a front office employee is asked why did he/she decide to become a receptionist, the most common answer is 'because I want to meet people'. We will now try to explore the qualities required of a successful front office employee.

To be successful in any human relationship, you must reflect the following characteristics:

- Warm personality

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- Keen interest in meeting people
- Poise under pressure
- Desire to be helpful
- Ability to listen
- Willingness to reflect management policy
- Ability to get along with co-workers
- Desire to be liked
- Ability to help another employee without resenting it or showing irritation

Standing behind the front desk and meeting any of the dozens of problems that arise in a hotel requires a reserve of energy. Therefore, it is important that you keep the following rules of living to keep your reserve built up for better functioning:

- Get plenty of sleep.
- Do not drink. If you must, drink moderately.
- Do not smoke and never on the job.
- Be positive.

A receptionist is the first person a guest meets in a hotel. The first impression always is a lasting one. Therefore, it is important to ensure that the guest gets a positive impression right from the moment he/she walks in.

Points to remember

- You must avoid all controversial questions. You cannot afford to win arguments in the hotel business.
- You must be oblivious to the guests' mistakes. You say 'I am sorry, I did not make it clear'. On no account, do you say, 'You are wrong' or 'You misunderstood me'. Instead you should say, 'Sorry sir, I could not make myself clear'.
- Do not criticise competing hotels. This never helps any one, including you.
- Cancel all 'Yeas', 'Okays' and 'Noes' from your vocabulary.
- Speak positive. Every negative reply can be rephrased. 'One moment, please' is a great improvement over 'Wait a minute'.
- Refer to male guests as gentlemen and females as ladies.
- Immediate attention to the traveller is a form of respect to which he/she is entitled.

Last but not least, the sincere smile is and has been a tradition of the hotel business. However, this smile has to be genuine at all times and not wooden. Your personal hygiene and neatness will also help you to perform better as a hotel receptionist.

Selection of Front Office Staff

The following qualities are expected of a candidate who intends to be part of the front office staff:

1. General Appearance

- Pleasing features
- Smile readily
- No apparent deformity

- Robust health (good teeth, clear bright eyes, glowing skin, hair, etc.)
 - Pleasant voice and evidence of good hearing
 - Good attention and care to body cleanliness (no bad breath, body odour, etc.)
 - Personal clothing (clean, modest and neat), appropriately dressed and clean shoes
 - Cordial attitude
- 2. Experience of Mental Alertness**
- Ability to carry on a logical conversation and reasoning
 - Able to make clear and concise (but complete) statement
 - Able to meet difficulties intelligently
 - Meets the minimum educational requirements of the job
- 3. Evidence of Emotional Stability**
- Both at work and at home (assessment can be made from appraisal of reports from the last position held and feedback from the family).
- 4. Comprehensive Knowledge of Trade**
- Acquired by education
 - Learning
 - Training
 - Practical experience
- 5. Administrative Qualities**
- Ability to control
 - Ability to command and make people obey
- 6. Organisational Ability**
- Daily routine work
 - Special work (arrival and departures of groups, VIPs, delegations, etc.)
- 7. Professional Attitude towards Job**
- Report to work on time
 - Positive attitude towards job
 - Recognises positive and negative aspects of job
- 8. Professional Performance**
- Sensitive to guest needs
 - Has a sense of humour
 - Responds and speaks intelligently
 - Is creative
 - Has good listening habits
- 9. Flexibility**
- Willing to accept different shift, if necessary
 - Is not 'set in ways'
 - Understands others' point of view
 - Is a team player (works well with public and his/her staff members)
- 10. Professional Demeanour**
- Projects maturity
 - Appears to be business-like

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- Is courteous
- Maintains control in difficult situations (controls temper and takes action as needed)

Job Description of Front Office Staff

Front Office Manager

A front office manager reports to the resident manager or general manager. The main function of a front office manager is to direct and coordinate the activities of the Front Office Operation (Front Desk, Reservations, Bell Desk and Telephones) to provide efficient and courteous service to each guest and maximise occupancy and room revenue.

A front office manager has the following responsibilities:

- Ensure that all service standards as specified by the management are implemented
- Ensure all staff under his control are properly deployed and utilised
- Ensure that all budget/targeted sales and occupancies are achieved and the expenditure is controlled to maximise profitability
- Ensure that all forms and registers that are maintained and complete in all respects
- Ensure that all laws of the land applicable to the lodging industry are strictly adhered to
- Maintain and increase guest relation
- Maintain control over special rates offered to various corporate houses/individuals
- Prepare annual budget and forecast occupancy and room revenue
- Make sales efforts at unit level as per the policy
- Prepare and send all reports pertaining to MIS and data required by marketing department
- Control advance reservations and room positions and ensure maximum selling
- Ensure correct billing and coordinating with accounts department
- Exercise credit control and implement credit policy
- Coordinate with marketing department for sales promotion
- Coordinate with other departments for ensuring maximum room sales and to achieve ultimate guest satisfaction
- Exercise control over expenditure like overtime, newspaper and stationery

The duties of a front office manager are as follows:

- To conduct coordination meeting of the staff once in a fortnight
- To meet all VIPs and group leaders at least once during their stay
- To check guest rooms
- To check and ensure that all standard procedures at the front office are followed
- To ensure upkeep of the front office area
- To ensure proper discipline with regard to conduct, work performance and to take necessary action
- To train staff and to ensure that standard manual guidelines are followed

Besides responsibilities and duties, a front office manager has the authority to:

- Exercise the discounting policy carefully in the interest of business
- Cancel/amend guest bills with full justification as per the policy and standard procedure
- Entertain commercially potential guests

- Sanction/recommend all types of leaves for staff/executives of the department
- Recommend disciplinary action against defaulting employees under his/her control
- Recommend incentives to deserving employees
- Authorise deployment of staff after duty hours
- Recommend purchase and condemnation of articles, and indent material required for the department
- Handle guest complaints efficiently
- Take action on behalf of RDM/RM/GM of the unit

In addition to the above duties and responsibilities, the front office manager also has to carry out any job assigned to him/her by the superiors.

Assistant Manager/Lobby Manager/Reservation Manager

An assistant manager works under the front office manager. His/her main function is to perform managerial duties in order to achieve the departmental objectives.

An assistant manager has the following responsibilities:

- Help and assist the front office manager in constantly organising, developing and running the department
- Ensure that all service standards as specified by the management are implemented
- Ensure optimum sale of lettable rooms
- Deploy staff on assigned duties
- Ensure warm, courteous and friendly services to the guests
- Ensure effective execution of all reservation functions to achieve optimum revenue for the hotel

An assistant manager has to carry out the following duties:

Lobby

- Pre-block rooms for the groups and VIP arriving during the day
- Coordinate with housekeeping and F&B for complementary items to be provided in the rooms
- Receive and escort VIP/CIP to the room. Also, to recognise dignitaries/celebrities visiting the hotel and to courteously deal with them
- Ensure availability of information regarding hotel, city, airlines and railway schedules, entertainment, etc. for the guests
- Coordinate with airport counter/marketing division and reservation section to ensure maximum selling of lettable rooms
- Ensure that all forms and registers to be filled by front office assistants are maintained in specified manner
- Ensure maintenance and cleanliness of the entire lobby and front office area
- Ensure continued training and assessment of staff
- Handle all untoward incidents/situations regarding guests and staff
- Ensure service standards
- Handle all guest complaints personally and ensure compliance
- Maintain the log book.

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Reservation

- Keep trace of all room reservations, groups, FITs, crew and others
- Maintain desired levels of GIT and FIT reservations to achieve maximum room sale and average room recovery
- Study each day's bookings and overbook to achieve maximum selling
- Maintain close liaison with CRS to ensure availability of more rooms for higher paying clients
- Prepare all statistical reports
- Reply all incoming mail, fax and so on
- Ensure communication of status reports to regional CRS, airport counters, etc.
- Assist FOM in forecasting
- Communicate daily occupancy reports, movement list and group arrival reports
- Carry out any job as and when assigned by the superiors, in addition to the above duties and responsibilities

Front Office Assistant (Reservation)

A front office assistant (reservation) is responsible to the assistant manager/front office manager. The main purpose and scope of this job is to ensure smooth operation of reservation section.

The front office assistant has the following responsibilities:

- Handle all room reservations
- Maintain and update reservation data
- Maintain records of segment-wise reservation and materialisation
- Maintain list of VIPs and regular guests
- Maintain record of group and conference bookings
- Maintain statistical data
- On receipt of the CRS charts, check the latest status of each group bookings
- Check and prepare the list of next day's arrival
- Record any special rate or discount on each booking
- Maintain discount register and credit list
- Maintain cordial relations with people making reservation like airline staff, travel agents and business houses
- Assist the assistant manager/front office manager in forecasting
- Complete any other jobs as assigned from time to time

Front Office Assistant (Reception)

This position reports to the assistant manager/front office manager. A front office assistant (reception) is responsible for ensuring overall smooth reception operation during his/her shift as per laid down standards and has the following responsibilities:

- Ensure that room position is checked, verified with housekeeping and rooms are available for all guests
- Effective utilisation and deployment of staff under his control
- Conduct daily briefing of the staff

- Ensure maintenance and upkeep of his/her work area
- Ensure maintenance of all records and registers such as
 - Arrival register
 - Departure register
 - C-form
 - Information panels
 - Guest mails
 - Key control
 - Log book
 - Wake-call register
 - Doctors call register
 - Occupancy statistical register
 - Amenities (FFC)
- Ensure operational control measures
- Ensure staff discipline

A front office assistant (reception) has the following duties:

- After taking charge as per the standard procedure, check the room position
- Allot rooms for VIP and for the guests wherever special request has been made or the liking of the guest is known
- Ensure that amenities voucher has been sent to the respective departments
- In case room is not available for confirmed guests, make necessary arrangements as per the procedure
- In case of overstaying guests, inform the assistant manager (front office) for necessary action
- Check keys of vacant rooms
- Ensure cordial relation with guests
- Handle all guest complaints tactfully and ensure that they have been rectified
- Ensure that assigned work is completed as per the laid-down standards
- Ensure that staff working under him/her adheres to meal timings and they are indented
- Ensure that all latest general information is maintained
- Work out occupancy statement
- Send arrival and departure notification as per the standard laid down.

A front office assistant (reception) also has the following occasional duties:

- Handle guest requirements/complaints during the absence of assistant manager (FO)
- Confirm/amend and cancel bookings of next day as per standard procedure when reservation department is closed. Future reservation requests are to be received and passed on to reservation section for suitable action.
- Relieve other receptionists and bell captain as and when required
- Carry out any other job assigned from time to time by the superiors

A front office assistant (reception) also has the authority to recommend guests to be included in VIPs, deployment of staff after normal duty hours and disciplinary action in staff matters pertaining to his shift.

Junior Receptionist

A junior receptionist is answerable to the senior receptionist and has the following responsibilities:

- Check logbook, wake-call register and update information panels
- Keep stationeries as per the standards laid down
- Sort out guest mails
- Ensure cleanliness in the work area
- Check mail and key rack for messages/location forms and to act accordingly
- Keep and give keys
- Report any untoward incident to senior receptionist
- Maintain arrival and departure register
- Type out Whitney slips
- Give required information to the guests

A junior receptionist also has the following occasional duties:

- Look after the work of senior receptionist in his/her absence
- See that the luggage is delivered to the guest room
- See that the parcels and packets belonging to the guests are delivered

Night Receptionist

A night receptionist works under the senior receptionist. In addition to the duties specified for the receptionist, the following additional duties are performed by the night receptionist:

- Record wake calls in the wake-call register/sheet and send them to the telephone section and room service
- Prepare night receptionist report and give it to the night auditor for verification
- Prepare occupancy statistics and make entries in the register
- Prepare movement list and VIP in-house list
- Prepare key control form and ensure that all keys of vacant rooms are available at the reception (In case of any missing keys, the same should be reported to duty manager.)
- To check that all entries for arrivals and departures during the day have been recorded correctly
- To give advance intimation to housekeeping regarding expected departures during the night
- To block rooms for the early arrivals and inform housekeeping

Guest Relations Executive

A guest relations executive works under the lobby manager. Her main job is to maintain guest relation with regular guests.

Her main responsibilities include the following:

- Prepare update and review of important data of regular guests, e.g. birthdays and anniversaries
- Meet the guests personally when the guest is in the hotel for a stay, visit or for any other function
- Ensure that amenities are sent to respective rooms on time

- Coordinate with various departments of the hotel to ensure maximum guest comfort
- Ensure that special requests of guests are taken care of
- Organise press meets at regular interval to update media about the available services and upgradations
- Ensure that sufficient advertisement and publicity is given about the hotel at exhibitions and fairs
- Arrange for press release and briefs about various activities in the hotel
- Maintain liaison with corporate houses to improve business of the hotel
- Ensure the production, publicity and printing of graphics and promotional materials
- Ensure photo/video coverage of important events held in the hotel
- Responsible for newsletter/in-house magazine and its circulation
- Coordinate with other department in organising festivals/shows, etc.
- Prepare and maintain guest history cards
- Invite various CIPs, VIPs and regular guests for special event of the hotel
- Carry out any other job as assigned from time to time

Front Office Cashier

A front office cashier reports to the lobby manager. His/her responsibilities include the following:

- Receive payments from the hotel guests, issue receipts, and enter the same in the cashbook
- Post all checks, vouchers, miscellaneous charge vouchers, miscellaneous credit, rebates, paid-outs and transfers on the guest bills
- Receive payments from the hotel guests against the city ledger outstanding, issue receipt and prepare the cashbook
- Settle the bills of departing guests
- Provide change of notes and coins to the hotel guests and restaurant cashiers
- Exchange foreign currency and travellers cheques of the hotel guests with Indian currency against currency exchange vouchers and prepare the summary of the same
- Make payments for duly authorised paid-outs and enter the same in the cashbook
- Issue and control of safe deposit lockers
- Sort and arrange cheques and vouchers

Bell Captain

A bell captain is responsible to the assistant manager front office/lobby manager. His/her job is to plan, organise, direct, coordinate and control the overall bell desk operations.

His/her responsibilities include ensuring

- That all service standards as specified by management are implemented
- That all staff under his/her control are properly deployed and utilised
- That all guest baggage is properly handed in time and records maintained
- That all forms and registers required are filled up and maintained
- Guest baggage in the left luggage room and for the record thereof
- Distribution of newspaper, record and account thereof
- Overall staff discipline with regard to conduct and work performance

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His/her duties include the following:

- Give correct and relevant information to the guest as required
- Ensure maintenance, receiving and welcoming guests into the hotel, upkeep of the entire lobby and work premises
- Ensure that sufficient stock of stamps and stationary is always maintained
- Ensure that the baggage of guest is sent to the guest room as per the specified standard
- Ensure proper billing and maintenance of baggage kept in the left luggage room
- Ensure that attendance and other leave records are maintained
- Handle all untoward incidents regarding guest and staff

The bell captain also has the following occasional duties:

- To ensure that messages and other documents are delivered to departments and offices inside and outside the hotel.

He/she has the following authority:

- To recommend all types of leaves for staff under his control.
- To recommend deployment of staff after normal duty hours.
- To recommend disciplinary action against defaulting employees.
- To recommend cancellation of bills in respect of luggage in left luggage room.

Bell Boy/Page Boy/Porter

The bell boy or page boy works under the bell captain. He/she is responsible for the following functions:

- Receiving the guests and welcome them into the hotel
- Carrying the luggage from the vehicle into the hotel and deliver it to the guest room
- Delivering messages and other documents in the hotel and outside the hotel
- Paging guests in the hotel
- Keeping the luggage in the left luggage room as per the standard procedure
- Doing all errand jobs of guests and officers
- Keeping the entire lobby and front office clean
- Maintaining public telephones
- Relieving the assistant bell captain
- Carrying communication from the front office to the various departments in accordance to the standard procedure
- Carrying out any other job assigned from time to time

Telephone Supervisor

A telephone supervisor works under the assistant manager front office. His/her main job is to ensure the overall smooth operation of the telephone section as per the standards laid down. He/she is responsible for ensuring:

- That the telephone equipment is in perfect working condition
- Cleanliness and upkeep of work area
- Effective utilisation and deployment of staff under his/her control
- That all bills from P&T are verified promptly and submitted to accounts department well in time

- That all records and registers are maintained

Proper and prompt billing of all outgoing calls.

- Maintenance of daily and monthly records defined in the standard procedures and wake-call register
- Maintenance of information regarding hotel and the city
- Maintenance and display of all important telephone numbers for the information of the monitors and operators

A telephone supervisor has the following duties:

- Check the telephone equipment and the work area and to take immediate action if faults and defects are noticed
- Check every day whether the call register is properly maintained by all shifts
- Check whether the billing is complete and correct
- Check whether the daily summaries are correct
- Handle guest complaints personally
- Arrange for the special requests made by the guests such as providing parallel line or extension
- Ensure continued use of polite and courteous conversation between operators and guests
- Train and assess the staff
- Check that the outgoing calls are well controlled

He/she also has the following occasional duties:

- Maintain liaison and cordial relation with P&T authorities, telecommunication companies and maintenance agencies
- Sort out disputes with the P&T
- Check personally whether complaints relating to VIPs are attended to and rectified immediately
- Carry out any other duties assigned from time to time

A telephone supervisor is also authorised to

- Recommend all types of leaves for staff under his control
- Recommend deployment of staff beyond their duty hours
- Recommend disciplinary action against defaulting employees of the section
- Cancel and amend bills after giving full justification in keeping with the standard procedures and policies and then to get them approved by the assistant manager front office or manager front office

Telephone Operator

The telephone operator is under the telephone supervisor. His main job is to handle the telephone and to assist the guests politely and with warmth and courtesy. He/she has the following responsibilities:

- Operate a position on the console
- Facilitate internal and external calls of guests, managers and the staff
- Facilitate local and long-distance calls for guests, visitors and management staff whenever required and follow the standard procedures
- Maintain all records defined in the standard procedures
- Maintain and provide information about the functioning of the hotel and other related services to the guests

A telephone operator also has to take on the following duties:

- Console the area of work and inform the telephone supervisor of area requiring attention

- Ensure that all pending work receives priority and pending calls, etc. are checked upon
- Ensure that all types of calls are recorded/entered in the register after the bills have been raised

INTERDEPARTMENTAL COORDINATION

The front office department plays a very important role in delivering warmth and hospitality to the guests. The department is responsible for delivering pleasant or unpleasant memory to the guests. The impression about the hotel start get registered in the mind of guests from the doorman, bellboys, telephone operators, front desk assistants, cashires, etc. because these employees are the most visible to the guests and are perceived to be more knowledgeable and helpful. These employees are considered the frontliners who maintain direct contact with the guests. Their responses to the guest queries regarding hotel facilities, transportation, special functions in the hotel, etc creates an impression of the professional services provided by the hotel.

The front office manager should be active in collecting information that are of guests' interests and must ensure that they deliver the required information accurately and timely to the guests. The front office manager must develop a relationship with other departmental heads as well as with the staff in order to gather all the information and execute better guest service.

This section will help you understand the importance and the process of building of interdepartmental coordination. The objective of interdepartmental coordination is to help departmental heads to organise their operations and not only meet, but exceed the overall goal of delivering professional hospitality. However, in reality, it requires constant effort to manage the details of employees, materials, procedures and communication skills to produce acceptable products and services.

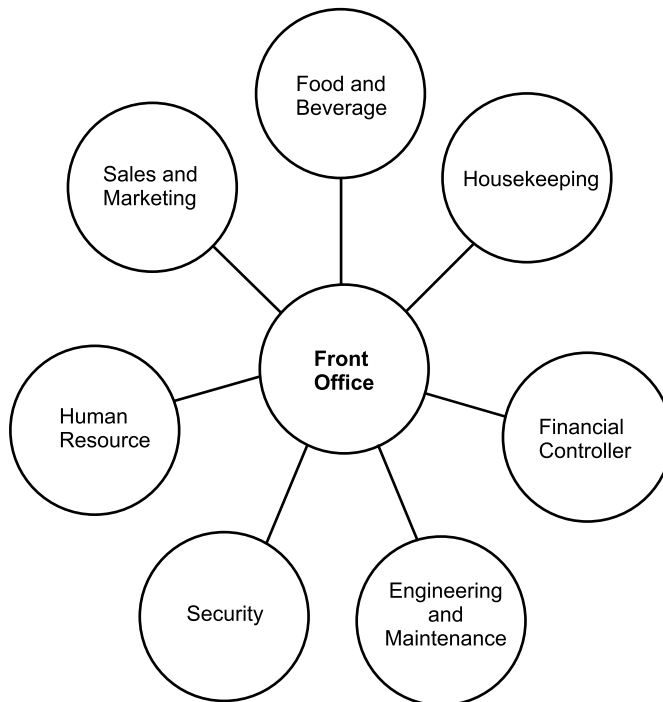


Fig. 2.8 Coordination of front office with different departments

The Front Office Staff coordinates with the following departments (Fig. 2.8):

1. Sales and Marketing
2. Housekeeping
3. Food and Beverage
4. Financial Controller
5. Engineering and Maintenance
6. Security
7. Human Resource

Sales and Marketing Department

The sales and marketing department depends on the front office to obtain data on guest histories and the details of each guest's stay. This information is usually recorded on the basis of pin code, frequency of visit, corporate affiliation, special guest needs, market segment, etc.

The guest history records are valuable and useful resource to spot marketing campaign, develop promotions, prepare mailing labels and select appropriate advertising media. The front office department must maintain this database accurately and update it regularly. The first guest contact with the marketing and sales department is usually through the telephone operator. A competent telephone operator, who is friendly and knowledgeable about hotel operations and make a good first impression, conveys to the prospective guest that the hotel is competent. When the guest finally arrives for the function/stay, the first contact with the hotel is usually through the front office staff.

The front office department provides information regarding future room availability so that sales and marketing can make reservation for groups, travel agents and corporate. The front office department maintains close coordination with sales and marketing department for room sales forecast, revenue management and preparing the budget. It is interesting to note that nowadays in many hotels, reservation section is attached to sales and marketing, rather than the front office department.

Housekeeping Department

The front office department coordinates with the housekeeping very closely. The following are the activities that are closely coordinated by both the front office and the housekeeping departments:

1. Information that flows from front office to housekeeping:
 - Daily departures
 - Stay over rooms
 - Over stay rooms
 - Special request by guests in terms of amenities and service
 - VIP , CIP, group and FIT arrivals
 - Room change of guest
 - Discrepancy report—to compare with the housekeeper's room report
 - Room sales projection—a weekly report made by the front office department that indicates the number of departures, arrivals, walk-ins, no shows that help the executive housekeeper to schedule staff in operations, planning leave and vacation for employees
2. Information that flows from housekeeping to front office:
 - Change of room status (e.g., vacant, dirty, out of order and under maintenance)
 - Housekeeper's room report—a report that is prepared by the executive housekeeper that consists of room occupancy status such as vacant/occupied/dirty/out of order.

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- Report of any unusual incident, e.g., suspicious guest, fire and unusual sound for taking the necessary action with proper authority

Figures 2.9 and 2.10 show samples of a housekeeper's room report and a discrepancy report, respectively.

INDIAN HOTEL Housekeeper's Room Report

Date: 20th January 2011

ROOM NO	NAME	NO OF GUESTS	CHECK IN	CHECK OUT	STATUS
2101	Mr. David	02	20/1	22/1	Stay over
2102	Mr. Khanna	0	0	0	Vacant Clean
2103	Ms.Dewan	02	18/1	20/1	Vacant Dirty
2104	Mr. Lamose	01	0	0	OOO

Executive Housekeeper

Fig. 2.9 A housekeeper's room report

INDIAN HOTEL Discrepancy Report

Date: 20th January 2011

ROOM NO	AS PER FRONT OFFICE	AS PER HOUSEKEEPING	REMARKS
1201	Vacant	Occupied	Checked out
1207	Occupied	Vacant	Checked in
1323	Vacant	Out of order	AC not working
1412	Vacant	Blocked	Blocked for carpet shampooing

Night Auditor

Duty Manager

Receptionist

Fig. 2.10 A discrepancy report

Food and Beverage (F&B) Department

Proper coordination between the front office and the food and beverage department is essential for the following aspects:

- Information on transfers, i.e. a charge to resident guest's account for the service provided in F&B sales outlets on credit.
- Information on projected house count, so that F&B department can get ready for their sales in their outlets.
- Information on group arrivals so that F&B department can schedule manpower planning according to the shift.
- Food and beverage department must update the front office department about the banquets and other events taking place in the hotel, so that the front office can guide guests properly for these functions. The banquet guest who is unfamiliar with the hotel property will ask at the front office for directions. This service might seem minor in the overall delivery of service, but it is essential

to a lost or confused guest. The front office staff must know how to direct guests to particular meeting rooms or reception areas and which functions are being held in which rooms.

Financial Controller

In hotel business, credit sales are a normal phenomenon. It is the responsibility of the finance department to recover the payments from various corporate, travel agents and sometimes from individuals as well. So, it is the utmost responsibility of the front office department to provide a daily summary of the financial transaction through a well-prepared night audit in terms of credit card ledger, city ledger and so on.

Daily summary of the financial transaction also helps the finance department to measure the management ability in order to meet the budget targets.

Engineering and Maintenance Department

The engineering and maintenance department and the front office department work in close coordination in the following manner:

- The front office provides information on the room status and request for maintenance service in coordination with the housekeeping.
- Before attending the maintenance service such as plumbing, heating and air-conditioning. The maintenance department must obtain information about occupancy status from the front office.
- If the room is reserved, the two departments will work out a time-frame so the guest will be able to use the room or be assigned to another room.
- The requests from guests for the repair of heating, ventilating, and air-conditioning, plumbing, televisions and other room furnishings are directed to the front desk. These requests are then communicated to the maintenance department. The front desk assistant must keep track of the repair schedule, as guests want to be informed of when the repair will be made.

Security Department

Coordination between the security and the front office department is very important in providing safety and hospitality to guests. These departments work together very closely in maintaining guest security. Fire safety measures and emergency communication systems as well as procedures for routine investigation of guest security concerns require the close cooperation and coordination of these departments. These days, terrorist threat is a big concern for the hotel and, therefore, the security department has to work very closely with the front office department in planning security measure, scanning guest baggage and so on.

Human Resource Development

The human resources development department depends on the front office staff to act as a contact point of potential employees for all departments. Sometimes, the HRD depend on the front office to distribute application forms and other personnel-related information to job applicants. Potential employee may ask for directions to the personnel office at the front desk. The human resources development department may also develop guidelines for the front desk assistant to use initial screening of candidates. For example, the guidelines may include concerns about personal hygiene, completion of an application,

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education requirements, experience, etc. This information helps the executives in the human resources development department to interview potential job candidates.

SUMMARY

In this chapter, we have learned various types of common and special types of rooms that exist in a hotel along with their features. We have discussed various types of food plans that are offered by various kinds of hotels. A detail discussion on different criteria of charging our guests has been provided. The importance of different tariff plans prevailing in hotels has been highlighted along with special rates and different factors for fixing tariff.

This chapter has also elaborated how the front office department is divided into eight sections according to their nature of functions. A brief overview of the functioning of each section has been provided. The need for coordination of the front office with different departments has been emphasised. In next chapters, we will learn the detail functioning of all sections in a systematic manner. This is how we will learn operation and management process of entire front office management.

KEY TERMS

Single room	Twin room	Double room
Suite	Cabana	Duplex
Efficiency room	Lanai	Quad
Bermuda plan	Go plan	24-hour basis
Rule of 1:1000	Hubbart formula	Tariff card
Tariff board	Front office department	

REVIEW QUESTIONS

1. Name ten special types of rooms and explain them.
2. Draw diagram of single, double, twin and suit and explain their features.
3. What is CP? Explain in detail.
4. What is the difference between AP and MAP? Explain.
5. 'Go plan is not a food plan.' Comment.
6. Explain different criteria of charging room rents.
7. Explain basic principles of room pricing and Hubbart formulae.
8. What is tariff card? Explain the factors you will consider for fixing tariff.
9. Describe ten various kinds of special rates.
10. Briefly describe the functions of various sections of front office department.
11. Draw a classical layout of front office department and discuss.
12. What are the guidelines will you follow to select entry level staff for front office?
13. Write job description for front office manager and guest relation executive.

PROJECT WORK

Visit three 5 star and two 3 star hotel and compare their staff organisation in Front Office department.

Chapter Three

Reservation Functions

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Understand reservation process and its importance*
- » *Get acquainted with the basic tools required for reservation operations*
- » *Get an idea of the diary system and Whitney systems of reservation*
- » *Know the cancellation and amendment procedure*
- » *Understand report and statistics generated by the department*

||| RESERVATION AND ITS IMPORTANCE

When you plan to travel by train and decide your date of travel in advance, you make an advance reservation with the railway booking office, perhaps a week or a month or even two months prior to the date of travel. On the actual date of travel, you find that your name appears in a list that is displayed at the railway station and a copy of the same list that is displayed on the trains compartment in which a seat or berth has been allotted to you. Now, the question that arises is: How has your name appeared on this list and what happens if you do not find your name on the list? The answer lies in the word 'processing'. The reservation request made by you has been processed and the final outcome of the processing is that your name appears on the passengers list. In case the processing had not been done correctly, your name may not have appeared on the list.

As you intend to travel, you also intend to stay in a hotel because of various reasons. When you decide in advance, you make advance reservation for rooms. Just as in the railways, the reservation

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requests are processed in the same manner in the hotels and the names of the expected arrivals appear on a list called *Expected Arrival List* or *Movement List*. Making advance reservation for rooms in a hotel is, however, a little different from making railway bookings.

An advance reservation request in a hotel can be made by choosing any of the following modes (see Fig. 3.1), which are in fact different modes of communication:

- Telephone
- In person
- Letters
- Fax
- Internet

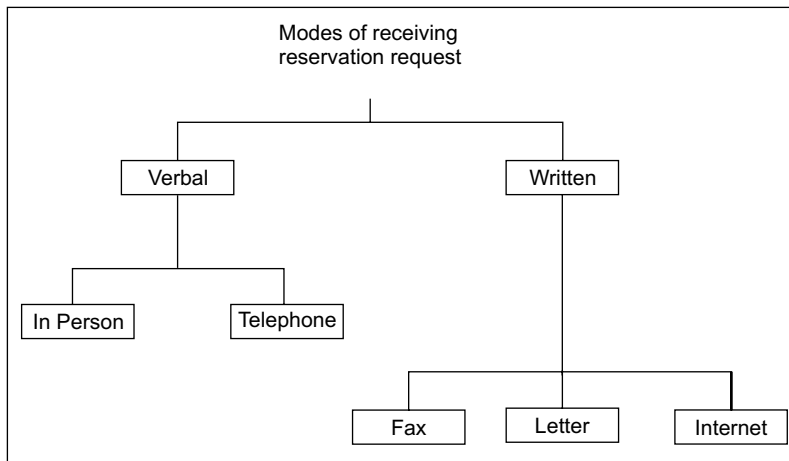


Fig. 3.1 Modes of receiving reservation request in a hotel

The term ‘reservation’ means booking of rooms at least 24 hours in advance. Once the reservation request is received by the hotel, it is then processed. Figure 3.2 illustrates the various tasks that are undertaken in the reservation section of a hotel.

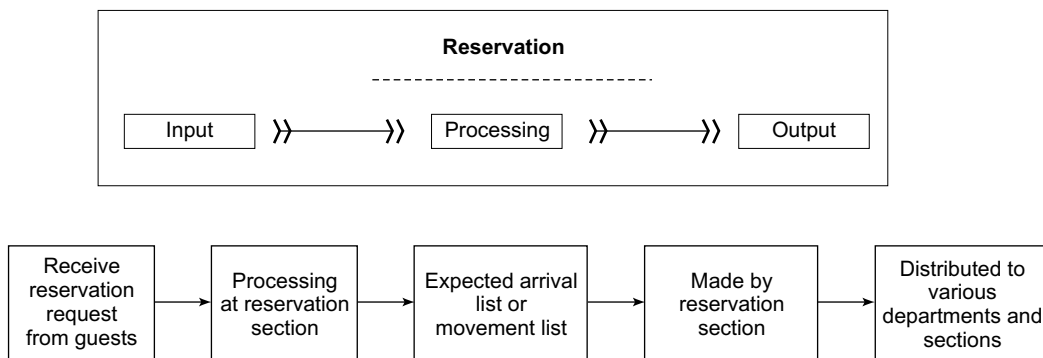


Fig. 3.2 Tasks undertaken in reservation section

Table 3.1 shows the various activities that take place during the reservation process under various modes of reservation.

Table 3.1 Reservation Activities

INPUT	ACTIVITIES
▶ Mail	▶ Sorting
	▶ Distribution
	▶ Opening
	▶ Reading
	▶ Taking action (reply)
▶ Telephone	▶ Answer
	▶ Give information
	▶ Accept/regret reservation request
▶ Fax	▶ Process
	▶ Plan reply
	▶ Send reply
▶ In person (Verbal)	▶ Receive guests
	▶ Ascertain requirements
	▶ Give information
	▶ Accept/regret reservation
	▶ Take advance (if necessary)

Some Important Terms

No-Show

The term 'no-show' refers to those guests who, due to some reason, fail to arrive on the day of arrival in spite of having confirmed the booking and also do not cancel their booking in time. This situation increases the availability of rooms for sale and may cause loss of potential revenue for the hotel.

It is preferable to keep a record of no-shows in the hotel for each day. This record is maintained in the no-show register. This record is available to guide the reservation manager to

- Raise retention bill
- Revise policy for the travel agents whose no-show is higher
- Calculate no-show factors that are used to determine future room availability
- Decide overbooking percentage for future

Time Limit

Time limit means specifying a particular time by which the prospective guest with reservation must check in at the hotel, failing which the room may be allotted to chance or walk-in guests. Generally, the time limit is fixed for a guest who does not pay any advance, and at the same time he/she does not

provide any guarantee in terms of travel agent booking. Normally, a time period of six hours is set by the hotels as the time limit.

This is done to avoid total loss of revenue, in case the guest does not arrive and become a no-show.

Guaranteed Reservation

It means that even in the event of no-show of a guest, the hotel does not lose any revenue, as the payment has been guaranteed and the hotel will get its retention amount. This kind of guarantee is given by companies booking rooms for their executives and travel agents booking rooms for individuals or groups.

Overbooking

Overbooking is a process of accepting more booking than the number of rooms available in the hotel. All the prospective guests are sent confirmation letters. This is one of the most trickiest situations and involves a lot of legal and moral responsibilities on the part of the management.

The purpose of overbooking is to compensate for

- Early departures and no-shows
- A large number of cancellations at the last moment
- Walkout

The objective of overbooking is to achieve 100 percent occupancy or at least the maximum possible occupancy and hence it is not a situation that arises due to any error on part of the reservation assistants, but a deliberate action of the reservation assistants to help the hotel attain the desired occupancy, revenue, knowing that there would always be a certain number of no-shows, cancellation and under-stays.

The front office should make the record regarding no-shows and early departures available for a specific period of time in the past. This period can be same month of the last year or the same week of the last month. The source of reservation and its past history should also be made available for calculating the forecasted overbooking figure.

The front office manager must keep good relation with other similar standard hotels of the town. At times, the hotel front office manager may find himself/herself in great difficulty when there are complete arrivals and/or when there are a number of overstays on a particular day. In such cases, the manager is left with only one choice—of sending some guests to some other hotel of similar standard in the town. This is known as *walking a guest*.

The following factors are to be considered while deciding the overbooking percentage:

- Past statistics of no-show
- Time gap between date of booking and date of arrival
- Special events in the city
- Season of the year
- Profession of the guest
- Source of booking
- segment (type of clientele)
- Purpose of visit
- situation
- of business (Lean/Shoulder)
- Experience of front office manager

Walk-in/Chance-Guest

This is a very common term that refers to those guests who arrive without prior booking in the hotel. These guests, who are not able to plan their holiday or programme in advance, arrive at the last minute hoping that there will be some room available for them.

Turn Away

Turn away guests are those guests who come to hotel without a prior reservation hoping that there may be a room available, but the hotel is unable to provide them with accommodation for various reasons. Some of the reasons for turn away are

- Unavailability of rooms
- Blacklisted guests
- Guest not in a state to accommodate

Scanty Baggage

A guest with light or no baggage is called a *scanty baggage guest*. As a precaution, a substantial amount is taken as advance, because such a guest may turn out to be a skipper or walkout (a guest who leaves the hotel without settling the bills).

Stay Over

This term refers to the total number of guests who stay in the hotel on a particular night and further continue staying in the hotel for at least the next night. In other words, stay overs are those guests who have been registered in the hotel and are not leaving the next morning at the check-out time, but instead continue to stay for another or many more nights.

Overstay

Overstay refers to overstaying of a guest in the hotel. This refers to those guests who are scheduled to leave or check out of the hotel on a particular day as specified by them at the time of arrival or booking, but due to some reason do not leave the hotel and continue staying further, may be for one or more nights.

Understay/Early Departure

Early departures or understays are those guests who due to some reason may not want to continue staying further. The problem that is caused in such a situation is that it creates more rooms available for sale. Hotels are able to sell such rooms at the last minute to walk-ins.

Early Arrival

Early arrival refers to those guests who check in at the hotel before their schedule date and/or time of arrival as specified by them. Although an early arrival guest cannot claim a room before the check-out time, yet every effort must be made to accommodate such guest as soon as possible.

ALC do not allow the management of the hotel to make any alteration in the planning. The ALC should be updated with a pencil only to maintain neatness during cancellation and amendment. A sample of ALC is shown in Fig. 3.4.

Indian Hotel																																
Advance Letting Chart																																
For the Month of.....																																
Dates	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
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Fig. 3.4 A sample of advance letting chart

Density Control Chart (DCC)

The density control chart is also called the *density chart*. It is a tool by which the room availability position can be known against the requested period of a particular month. The reservation section maintains one DCC for each month separately. Twelve DCCs for a particular year are kept in a file in the serial order. The DCC has many advantages in respect to ALC and can be used by hotels of any size. The DCC should be updated with a pencil for the same reason explained before. A sample of DCC is shown in Fig. 3.5.

INDIAN HOTEL																																	
Density Control Chart																																	
For the Month																																	
Dates	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
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Fig. 3.5 A sample of density control chart

Room Reservation Form (RR Form)

It is a tool that is optional in the procedure of room reservation in some hotels and by which the reservation assistant can record all the necessary and relevant information regarding the prospective guest for the purpose of processing the reservation request, but it is recommended to use this form for better accuracy in processing.

Table 3.2 gives a brief description of the different heads of the room reservation form and a room reservation form is shown in Fig. 3.6.

Table 3.2 Details of information filled up in a room reservation form

DATE:	DATE OF RECEIVING RESERVATION REQUEST
▶ Name:	▶ Name of the prospective guest; the surname to be written first
▶ Pax:	▶ Number of person
▶ Address:	▶ Address of the prospective guest
▶ From:	▶ Date of arrival
▶ Arr. Time:	▶ Time of arrival; instead of writing the time, the flight number or the train number. is mentioned
▶ To:	▶ Expected date of departure
▶ Dep. Time:	▶ Expected time of departure
▶ Rate:	▶ The room rate or tariff, including discount, if any
▶ Plan:	▶ The food plan that is applicable
▶ Booked by:	▶ Name of the person/travel agency/company who has booked for the guest
▶ Address:	▶ Address of the person who has booked for the guest
▶ Dated:	▶ Date on which the reservation request letter / fax has been dispatched
▶ Deposit:	▶ Amount of advance payment taken from the guest
▶ Vide Receipt No.:	▶ Money receipt number (for advance payment)
▶ Billing Instructions:	▶ How the guest will settle the bill (mode of payment)
▶ Remarks:	▶ Additional information or special request
▶ Confirmation Required:	▶ Whether the guest needs confirmation in writing
▶ Reply sent on / by:	▶ On which date and by whom the confirmation was sent to the prospective guest.
▶ Signature:	▶ Signature of the reservation assistant.

INDIAN HOTEL		
Room Reservation Form	Date _____	
Name: _____	Pax: _____	
Address: _____		
Reserve <input type="checkbox"/>	Amend <input type="checkbox"/>	Cancel <input type="checkbox"/>
From: _____	Arr. Time: _____	
To: _____	Dep. Time: _____	
Rate: _____	Plan: _____	
Booked By: _____		
Address: _____		
Letter/Fax/Telephone No.: _____ Dated: _____		
Deposit: _____	Vide Receipt No.: _____	
Billing Instructions: _____		
Remarks: _____		
Confirmation Required: _____ YES / NO		
Reply sent on / by: _____		
_____ Signature		

Fig. 3.6 A sample of room reservation form

Modes of Payment

A guest can pay his/her bill in the following ways.

1. Direct Payment (DP)

Direct payment is made when the guests settle the bills directly by cash, credit card, demand draft, traveler's cheques and so on. However, personal cheques are not accepted, except in cases of acute emergency.

2. To Company (To Co)

This is the mode of payment used when the bills are settled by the guest's company.

3. Holding Voucher (HV)

In HV mode, the guest holds an exchange voucher and the bill is settled by the concerned travel agent. Exchange voucher is also called a *travel voucher* or *travel agent's voucher*. Through this voucher, the travel agents give written instructions to the hotel regarding the services to be rendered to the guest. Figure 3.7 shows an exchange voucher.

Eastern Travels Exchange Voucher	
Sl. No. _____	Date: _____
M/s Hotel _____	
Please provide Mr./Ms. _____	
With _____	Room. Plan _____
Date of Arrival _____	Date of Departure _____
Time of Arrival _____	Time of Departure _____
Please also provide the following services:	
1. _____	
2. _____	
3. _____	
4. _____	
Other services will be charged extra.	
Distribution: Guest / Hotel / File	_____ Signature

Fig. 3.7 A sample of exchange voucher

III DIFFERENT SYSTEMS OF PROCESSING RESERVATION

Different hotels adopt different systems of processing reservation that suit them. The various systems of reservation are:

- Diary system
- Whitney system
- Computerised system

Diary System of Reservation

The system is known as diary system because in this system, the concept of 'diary' is used. In this system, the hotel maintains a diary in which the name of the guest is written on the diary page, as per the date of arrival. Every page of the diary has a date as per the calendar. Thus, all the guests who have requested reservation are enlisted date-wise (according to the date of arrival) onto the respective page of the diary. Thus, checking and preparing the movement list becomes easier. The diary system is used only in small hotels and cannot be used in medium- or large-sized hotels because of some disadvantages.

Tools Used

The tools required for the operation of the diary system and their uses are discussed below.

1. Room Status Board

While a reservation request is received, first the RSB is referred, which gives an idea of the room availability position against the requested month.

2. Advance Letting Chart

By referring to ALC, the room status can be known against the requested period of a particular month.

3. Room Reservation Form

This tool is used to record all the necessary and relevant information regarding the prospective guest by the reservation assistant.

4. Hotel Diary or Booking Diary

This is another tool used by the reservation section to record all necessary and relevant information regarding the prospective guest for the purpose of processing. The information is recorded on a particular page of diary according to the date of arrival. The hotel diary is a bound book register containing 365 (366) pages arranged in serial order as per the date of arrival. The Room Reservation (RR) forms are optional, but hotel diary is a permanent record. To avoid untidy work on the diary, it is recommended to use the RR form.

5. Movement List or Expected Arrival List

By using the movement list, the reservation section intimates the reception section and other departments about the arrivals for the next day (Fig. 3.8).

Reservation Procedure

The reservation procedure through the diary system is carried out in the following manner:

1. As soon as the reservation request is received, the room availability position is checked by referring to the RSB and subsequently the ALC, if required.
2. If the reservation section is in a position to accept the reservation request, the ALC is updated and subsequently the RSB, if required.
3. Then, the RR form is filled up with the information, if in use.
4. An entry is made in the booking diary on the proper page according to the date of arrival of the guest.

Indian Hotel							
Movement List							
							Date _____
Sl No	Name	Pax	Room Type	Dep. Date	Arr. Time	BI	Remarks
							Signature
Distribution: Reception / HK / RS / GM / Security / F&B Manager / Ex Chef /File							

(BI - Billing Instruction)

Fig. 3.8 A sample of movement list

5. Before closing the section, the movement list is prepared for the next day and distributed to the following sections/departments:
- Reception
 - Housekeeping
 - Room Service
 - General Manager
 - F&B Manager
 - Executive Chef (in case of group arrival)
 - Security (in case of VIP arrival)
 - File

Disadvantages of Diary System

The diary system has the following drawbacks:

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1. Reservation cannot be taken far in advance in the diary system of reservation.
2. The booking diary is bulky, so it is difficult to handle.
3. The diary cannot be maintained neatly because of continuous use.
4. The entries in the diary cannot be made in an alphabetical order.
5. Guest status is not known at a glance from the diary.
6. The diary system is not a scientific system because, if a page is lost, then the entire information on the page is lost.
7. Diary system cannot be used in large hotels because of limited availability of space on each page.
8. Cancellation and amendment becomes difficult as entries are made permanently on the diary pages.

Figure 3.9 shows a sample of hotel diary.

INDIAN HOTEL													
HOTEL DIARY													
Day _____ Date _____ Month _____ Year _____													
Sl No	Room No	Name & Address	Pax	Room Type	Booked on	Rate & Plan	Duration of Stay	Arr. Time	Booked by	Advance Details	BI	Signature	Remarks

Fig. 3.9 A sample of hotel diary

Whitney System of Reservation

Whitney system of reservation is a well-accepted system worldwide because of its simplicity. This is a foolproof system as double checking is done. It was developed by a company called Whitney Duplicating and Check Company of New York and the system had been named after the company. This system can be used by hotels of any size.

Tools Used

Various tools required in this system are discussed below.

1. Room Status Board

When a reservation request is received, first the RSB is referred, which provide the room availability position against the requested month.

2. Density Control Chart

By referring to DCC, the room status can be found against the requested period of a particular month.

3. Room Reservation Form

This tool is used to record all the necessary and relevant information regarding the prospective guest by the reservation assistant.

4. Whitney Slip

It is used to record some of the vital information that is taken from the RR form. The Whitney slip is 3" × 1½" in size. Name of the guest, pax, arrival date and time, departure date, room rate and plan, billing instructions, booked by and signature of the reservation assistant are the pieces of information mentioned on the Whitney Slip (see Fig. 3.10). The Whitney Slip is always prepared in duplicate and is always typed.

Walker Mr. C. H.	2X
13/04/06	10/04/06
Arr: IC239	
Rate: Rs. 8000.00 MAP	
Bill. Eastern Travels	
Resv: Mr. A. Chawla	
	9810056548
AB	

Fig. 3.10 A sample of Whitney slip

5. Whitney Carrier

It is used to hold the Whitney slips in the *Whitney rack* and is made of metal (usually made of aluminium).

Reservation Procedure

The reservation procedure under the Whitney system entails the following steps:

1. As soon as a reservation request is received, the room availability position is checked by referring the RSB and subsequently the DCC, if required.
2. If the reservation section is in a position to accept the reservation request, the DCC is updated and subsequently the RSB, if required.
3. Then, the RR form is filled in with the information provided by the guest and is kept in the correct slot of the rotary rack according to the date/month/year of arrival, as the case may be.
4. During the day, whenever free time is available, the filled-in RR forms are taken out from the rotary rack and the Whitney slips are prepared in duplicate with the required information.
5. The original Whitney slip is placed on a Whitney carrier that is then placed on the proper Whitney rack in an alphabetical order.
6. The duplicate Whitney slip is attached to the RR form.
7. The RR form is then kept in the RR form file. The Reservation Section maintains 43 RR form files that are maintained in the same way as that of the Whitney racks. The RR form files are kept under lock and key which is under the supervision of reservation supervisor.

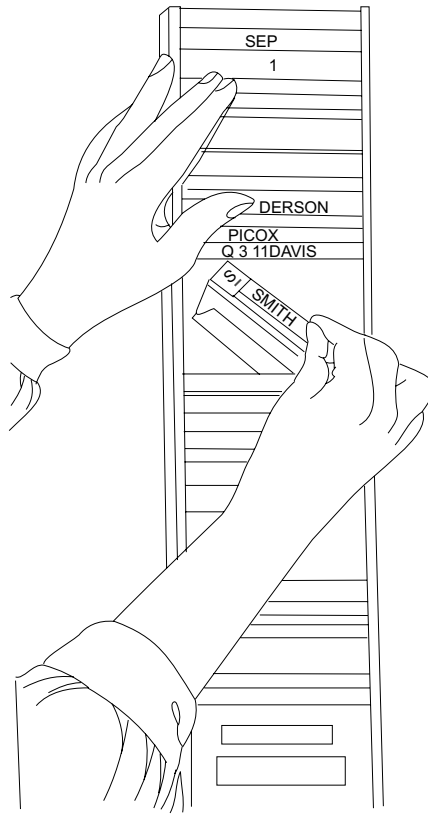


Fig. 3.11 Single Whitney rack

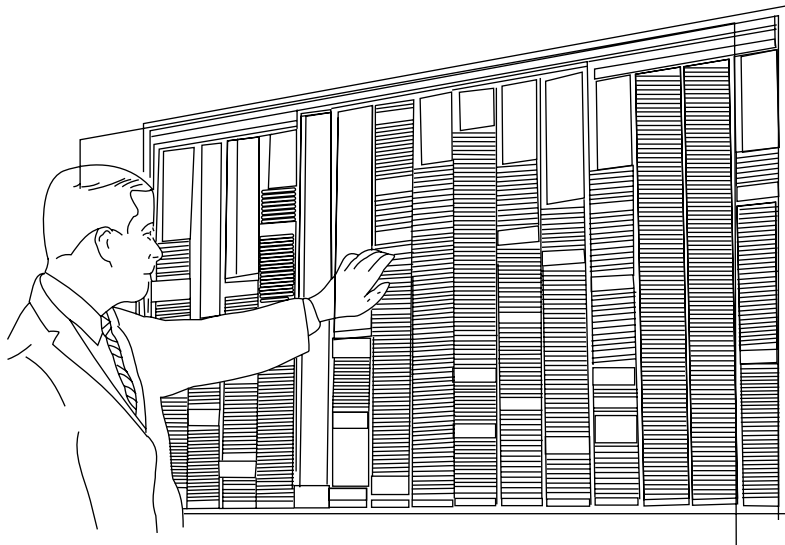


Fig. 3.12 Multiple Whitney racks

8. At the end of the day, before closing the reservation section, the RR forms as well as the Whitney rack for the following day are taken out. The movement list is made by referring the Whitney slips and RR forms. While distributing the movement list, next day's Whitney rack is handed over to the reception. The empty Whitney rack that was handed over to the reception on the previous day is taken back. The Whitney rack acts as guest alphabetical index rack at reception. This is how the Whitney rack moves ahead each day.
9. Every last but one day of the month, the Whitney rack of the following month is taken out and the Whitney slips are arranged in the Whitney racks that are empty, according to the date of arrival in an alphabetical order and are placed against the wall in serial order.

Whitney Colour Code

Whitney slips of different colours are used to denote the status of the guest. This helps the reservation section to find out various guests of any status at a glance. For example,

White: FIT

Yellow: Group

Blue: VIP

Pink: CIP

The colour of the Whitney slips for denoting guest status may vary from hotel to hotel.

Advantages of Whitney System

The Whitney system has the following advantages:

1. Reservation can be taken far in advance.
2. Reservation can be maintained in an alphabetical order.
3. Guest status can be known at a glance.
4. It is scientific, as an option for double checking is established.
5. It can be handled very easily.
6. Maintenance is very easy.
7. Cancellation and amendment is very easy.
8. The system can be used in hotels of any size.

Cancellation and Amendment

Cancellation is obliterating a reservation that had been done by a guest with a hotel while amendment is a change in the reservation. The change can be regarding any one or all of the following:

- Date of arrival
- Date of departure
- Duration of stay
- Type of room
- Number of rooms
- Number of person
- Food plan, etc.

For any cancellation of room reservation, a minimum of three days' notice is required for FIT guests. This is known as *cut-off date* or *cut-out date*. If this condition is not fulfilled, a retention charge is taken from the guest. The cut-off date for a group reservation is normally 30 days.

Cancellation Code

When a cancellation is accepted, a cancellation code is developed and given to the guest, which can be used as a reference in future. An example of cancellation code is given below:

0980610AS153

With the help of the cancellation code given above, we will now understand how different digits and characters of the cancellation code denote different pieces of information:

- The first three digits (**098**0610AS153) represent the day of a particular year. Here, 098 stands for the 98th day of the year, i.e. 8th of April.
- The following two digits (098**06**10AS153) stand for the year, i.e. 2006.
- The sixth and the seventh digits (09806**10**AS153) together stand for the property code that is applicable for chain hotels only. The reason is that in chain hotels, booking and cancellation of rooms of one of the hotels can be done from another hotel of the same chain.
- Next two characters (0980610**AS**153) are the initials of the reservation assistant who takes the cancellation.
- The last three digits (0980610AS**153**) is the serial number of the cancellation, which is maintained in the cancellation register, kept in the reservation section. (Figure 3.13 shows a cancellation register.)

Indian Hotel								
Cancellation Register								
Sl No	Date of Cancellation	Cancellation Code	Times of Guest	Type of Room	Date of Arr.	Source of Resv.	Signature	Remarks

Fig. 3.13 Sample of cancellation register

Cancellation Procedure

The cancellation procedure is carried out in different ways in the diary and Whitney system.

In the Diary System

1. As soon as a cancellation request is received, a cancellation code is developed and informed to the guest.
2. The cancellation form is then filled up, if in use, and is stapled with the RR form.
3. The cancellation code is written clearly on the cancellation form and kept in the cancellation file together with the RR form.

4. The entry in the hotel diary is cancelled by drawing a line across, and is marked as cancelled.
5. The ALC is updated and then the RSB, if required.
6. The cancellation code is noted down in the remarks column of the hotel diary along with the signature of the reservation assistant.
7. The cancellation register is then filled in.

In the Whitney System

1. As soon as a cancellation request is received, a cancellation code is developed and informed to the guest.
2. The cancellation form is then filled in and the cancellation code is mentioned on it.
3. Original Whitney slip is then taken out and marked as cancelled.
4. Cancellation form, RR form and the original copy of the Whitney slip along with the duplicate copy are stapled together, and kept in the cancellation file.
5. Cancellation register is then filled in.
6. The DCC is updated and subsequently the RSB, if required.

Amendment Procedure

The amendment procedure in the diary and Whitney systems is discussed below.

In Diary System

1. As soon as an amendment request is received, the room availability position is checked by referring the RSB and subsequently the ALC.
2. If the amendment request can be accepted, then an amendment form is filled in, if in use, then kept in the RR form file after being stapled with the RR form, generated at the time of reservation.
3. The ALC is updated followed by the RSB, if required.
4. The previous entry in the diary is cancelled by drawing a line across and marked as 'AMENDED'. The reservation assistant signs on it.
5. A fresh entry is made in the diary as per the date of arrival.

In Whitney System

1. As soon as an amendment request is received, the room availability position is checked by referring the RSB and subsequently the DCC.
2. If the amendment request can be accepted, then an amendment form is filled in.
3. The DCC is then updated followed by the RSB, if required.
4. A new Whitney slip is made as per the amendment in duplicate.
5. Old original Whitney slip and the RR form are then stapled together.
6. Original Whitney slip is placed on the Whitney rack after mounting on a carrier, in an alphabetical order.
7. The duplicate Whitney slip is stapled with the amendment form and the RR form and then placed in the proper RR form file in alphabetical order.

REPORTS AND STATISTICS

Reports and statistics are prepared to keep track on the business activities. Daily analysis of reports reveals the health of the business. It shows whether or not the staff members are working as per the budgeted standards. Any deviation from the budgeted standard will indicate to take corrective measures. Following are commonly maintained reports and statistical data in the front office department:

$$\text{Room Occupancy Percentage} = \frac{\text{Number of Rooms Sold}}{\text{Number of Lettable Rooms}} \times 100$$

(Lettable rooms are the rooms that can be sold to the guests or against which revenue could be earned.)

$$\text{Protential Room Occupancy Percentage} = \frac{\text{Number of Rooms Sold}}{\text{Number of Available Rooms}} \times 100$$

(Available rooms are the total rooms that exist in a hotel.)

If statistics reveal that there is a big difference between room occupancy percentage and potential room occupancy percentage, it indicates more number of rooms being occupied by the in-house managers, more out of order rooms, more complementary rooms, etc. and calls for an action to be taken.

$$\text{Double Occupancy (Multiple Occupancy) Percentage} = \frac{\text{House Count} - \text{Number of Rooms Sold}}{\text{Number of Rooms Sold}} \times 100$$

(Multiple occupancy occurs when a room is occupied by two or more person.)

$$\text{Bed Occupancy Percentage} = \frac{\text{Number of Beds Sold}}{\text{Number of Lettable Beds}} \times 100$$

(Lettable beds are the beds that can be sold to the guests or against which revenue could be earned.)

$$\text{Profential Beds Occupancy Percentage} = \frac{\text{Number of Beds Sold}}{\text{Number of Available Beds}} \times 100$$

(Available beds are the total beds that exist in a hotel.)

House Count = Brought Forward (Previous Day's Number of Guests)

+ Arrivals of the Day – Departures of the Day

$$\text{Average Room Rate (ARR) or Average Daily Rate (ADR)} = \frac{\text{Room Sales (in terms of revenue)}}{\text{Room Count}}$$

A decrease in the ARR (ADR) means that too much discount is being given or more number of rooms are given out on a complementary basis.

$$\text{Average Rate Per Guest (ARG)} = \frac{\text{Room Sales (in terms of revenue)}}{\text{House Count}}$$

$$\text{Local Occupancy Percentage} = \frac{\text{Number of Indians in House}}{\text{House Count}} \times 100$$

$$\text{Foreign Occupancy Percentage} = \frac{\text{Number of Foreigners in House}}{\text{House Count}} \times 100$$

The above formulae help to find out several statistics. These figures and statistics are stored and help in understanding the past conditions, based on which several criterions are being met in the future. For

example, the foreign occupancy shows the number of foreign visitors at any one time of a season. Thus, for evaluation of reports and statistics, the formulae are quite important.

SUMMARY

In this chapter, the entire function of the reservation section of the front office department has been discussed in a systematic manner. We have learned the importance of the reservation section, different modes of receiving reservation request and flow chart of reservation process. We have also come across some important terms used in the reservation process and learned their meanings. The importance of overbooking and factors required to determine overbooking percentage has been emphasised.

A detail discussion on different basic reservation tools and their applications has been provided. The chapter has also touched upon the procedure of different reservation systems (diary, Whitney, etc.) along with their advantages and disadvantages. Towards the end, we have discussed cancellation and amendment procedure of already made reservation. Last but not least, we have learned the formulae to generate different reports and reasons for the same.

||| KEY TERMS

Reservation request	No-show	Overbooking
Walk-in guest	Turn away	Stay over
Understay	Room status board	Advance letting chart
Density control chart	Room reservation form	Exchange voucher
Diary system	Whitney system	Cancellation code
Room occupancy percentage		

||| REVIEW QUESTIONS

- Describe and compare the different modes of reservation.
- Explain the following terms:
 - NO-show
 - Time limit
 - Guaranteed reservation
 - Overbooking
 - Chance guest
 - Turn away
 - Scanty baggage
 - Stay over
 - Over stay
 - Understay
- Explain the following with neat diagrams:
 - Room status board
 - Advance letting chart
 - Density control chart
 - Room reservation form

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4. Explain various modes of payments.
5. Discuss in detail the process operation of diary system in reservation.
6. Elaborate the process operation of Whitney system in reservation.
7. Compare the advantages and disadvantages of diary and Whitney systems.
8. Explain how cancellation and amendment procedures are carried out in both diary and Whitney systems.
9. Write the formulae for finding out the following:
 - (i) Room occupancy percentage
 - (ii) Double occupancy percentage
 - (iii) Bed occupancy percentage
 - (iv) Potential room occupancy percentage
 - (v) Potential bed occupancy percentage
 - (vi) Average daily rate
 - (vii) Average rate per guest
 - (viii) Local occupancy percentage
 - (ix) Foreign occupancy percentage

PROJECT WORK

Meet a few people working in well-known hotels and ask them about the reservation system used there. Carry out a comparative analysis and try to find out which system is popular these days.

Front Desk Functions

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Calculate room position and appreciate the importance of registration of room guests*
- » *Learn how to deal with various kinds of guest arrival and maintain relation during their stay*
- » *Know about room change procedure, mail and message handling, manual key control procedure, handling departures and handling safe deposit lockers*
- » *Understand different payment methods, accounting procedure and night auditing function adopted in the front office department*

ROOM POSITION

The term 'room position' refers to the number of rooms of different types, available for sale to chance arrivals, at any given time. Room position is critical for the smooth functioning of the reception.

The room position is prepared at midnight for the following day, but this can keep changing from time to time due to the following factors:

- No-show
- Overstay
- Unexpected or early departures
- Unforeseen maintenance in rooms

Therefore, it is important to keep on updating the room position during the day as well, as it helps the front office manager to decide whether or not to offer discounts to chance guests.

Calculating Room Position at Midnight

The following steps are involved in calculating room position at midnight:

- Count the number of rooms occupied of each type.
- Count the number of rooms expected to be vacated during the following day, in each category.
- Count the number of rooms required for expected arrivals for the following day, category-wise.

Next, the number of rooms expected to be occupied the following day is calculated by using the following formula:

$$\begin{aligned} & \text{Number of rooms occupied} - \text{Expected departures (number of rooms) during the following day} \\ & + \text{Expected arrivals (number of rooms) during the following day.} \end{aligned}$$

This helps one arrive at the expected room count for the following day. Now, if we deduct the expected room count from the total number of lettable rooms, we get the number of rooms that will be available for sale to chance guests.

Example A hotel has 200 double rooms, 50 single and 50 suites. On the 24th of November, the status at midnight was as follows:

Rooms occupied:

150 Doubles
45 Singles
35 Suites

Room requirement for the next day:

70 Doubles
20 Singles
25 Suites

Number of rooms expected to be vacated:

30 Doubles
15 Singles
5 Suites

Calculate the room position for 25th of November.

Solution

	<i>Double</i>	<i>Single</i>	<i>Suite</i>
<i>No. of rooms occupied on 24th November</i>	150	45	35
<i>Less: Expected Departures (Rooms) on 25th Nov.</i>	30	15	5
	120	30	30
<i>Add: Expected Arrivals (Rooms) on 25th Nov.</i>	70	20	25
<i>Expected Room Count</i>	190	50	55
<i>Total Number of lettable rooms</i>	200	50	50
<i>Less: Expected Room Count</i>	190	50	55
<i>Room Position</i>	+ 10	0	- 5

Thus, the room position is as follows:

Double: Plus ten (+ 10)

Single: Neutral (0)

Suite: Minus five (-5)

Plus Position

When the position calculated is positive (+), it indicates that certain rooms of that particular category are available for sale after meeting the commitments for all confirmed bookings. In the example given, 10 double rooms are available for sale to chance arrivals.

Minus Position

When room position calculated is negative (-), it indicates that the hotel will fall short of a certain number of rooms in meeting the commitment towards guests with confirmed reservation. It means, in the example above, that the hotel is overbooked by 5 suites.

Neutral Position

This is the situation in which the number of rooms available for sale is equal to the number of rooms required to accommodate expected arrivals.

Updating the Room Position

Once the room position for the day has been worked out at midnight, it is necessary that a track of the day's arrivals and departures be kept. It is also essential that a note of the expected time of arrival of the guests is kept in order to spot any possible no-show before it is too late. A watch is to be kept for over-stays also. All cases of overstays must be referred to the lobby/duty manager for approval.

The following formula can be applied to calculate and update the room position during the day:

	Vacant Rooms
Add (+)	Expected Departures
Less (-)	Expected Arrivals
Add (+)	No-Show
Add (+)	Understay
Less (-)	Overstay
Less (-)	Out of Order Rooms
Equal (=)	Room Position

III REGISTRATION AND ITS IMPORTANCE

The process of registration is very important for a hotel as it not only contributes significantly to the basic information the hotel needs to monitor its business, but it also serves to establish the front desk as the focal point for guest service. The registration of guest is also a legal requirement. It is an essential process for the creation of a legal hotel-guest relationship. It signifies the guest's consent to abide by

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the rules and regulations of the hotel and at the same time is a proof of his stay in the hotel for a certain period of time. It also satisfies many other diversified purposes concerned with the following:

- (a) Creating and collecting guests' personal data
- (b) Satisfying the guests' room and rate requirement
- (c) Generating a registration record of transaction

Types of Registration Records

Various types of registration records are discussed below.

Bound Book Register

Normally used by smaller hotels, this register has all pages bound and can be used for a long period of time. This is also called the *red book* or *F-form*.

The bound book register has the following advantages:

1. All records are available in one book.
2. No filing is required.
3. There is minimal wastage.

However, the bound book register also has disadvantages such as given below:

1. Only one guest can be registered at a time.
2. It is bulky and difficult to carry.
3. It cannot be maintained neatly.
4. Privacy cannot be maintained.
5. Pre-registration cannot be done.
6. If misplaced, all records might be lost forever.

Loose Leaf Register

This is the same as the bound book register in its contents, only that its pages are not bound. Separate leaves are used everyday.

The merits of the loose leaf register are:

1. Privacy maintained, to some extent.
2. Easier to hand over to guests, as only one page used at a time.
3. If a leaf is lost, only one day's information is lost.

The demerits of the loose leaf register are:

1. Leaves can be easily misplaced.
2. An incomplete leaf (less number of registration) means the whole is wasted.
3. Only one guest can be registered at a time.
4. Filing becomes an additional job.
5. Pre-registration cannot be done.

Guest Registration Card (GRC)

These well-designed cards are used by various hotels. A separate card is used for each registration, They may be used in duplicate or triplicate depending on the policy of the hotel. These are handed over to the guest on arrival for completion of registration.

The merits of this system are as follows:

1. Multiple guests can be registered at the same time.
2. Privacy can be maintained.
3. Easy storage.
4. No wastage.
5. Guests can be pre-registered.
6. Easy to carry.

Its demerits are as follows:

1. It is expensive.
2. It can be lost if not stored properly.

A guest registration card is shown in Fig. 4.1.

INDIAN HOTEL Guest Registration Card	
Name Mr./Ms. _____ (Surname first) Organization _____ Designation _____ Permanent Address _____ _____ City _____ Country _____ Number of Person _____ A _____ C Purpose of visit: Conference/Convention <input type="checkbox"/> Business <input type="checkbox"/> Religious/Cultural <input type="checkbox"/> Vacation <input type="checkbox"/> Others (Pls. Specify) _____ Arrived From _____ Room No. _____ Rate: _____ Mode of Payment: Direct <input type="checkbox"/> Bill to Company <input type="checkbox"/> Voucher <input type="checkbox"/>	Nationality _____ Certificate of Registration/Passport No. _____ _____ Date of Issue _____ Place of Issue _____ Date of arrival in the country _____ Proposed duration of stay in the country _____ Next Destination _____ Remarks _____ Arrival Date _____ Time _____ Departure Date _____ Time _____ _____ I agree to release my room by 1200 noon on: _____
Receptionist	Guest's Signature
Management will not be responsible for valuables left in the rooms. Safe Deposit Lockers are available to resident guests on request.	

Note: Columns are the same in red book and loose leaf register.

Fig. 4.1 A guest registration card

Pre-Registration Procedure

Pre-registration generates all necessary documents required for registration before the guests' arrival, such as the guest registration card, key card, etc. This is only possible for guests who have a prior

reservation. On arrival, the guest is given the registration card to check that the information is correctly recorded. If further information is required, the receptionist must complete that on behalf of the guest.

The key card is also kept filled, leaving the column for the guests' signature. The key card serves as an identity card for the guest during his/her proposed stay in the hotel.

The pre-registration procedure is mainly performed in the case of VIP, CIP, Groups and SPATT guests. Complementary items are placed in advance in the rooms. Keys of those rooms are kept aside. The procedure reduces registration time on arrival and enables the guest to be registered without delay. Also, rooming of guests can be done faster. Hence, the hotel can deliver better guest satisfaction.

||| HANDLING GUEST ARRIVALS

Dealing with a Reserved Guest on Arrival

The process of registration of the guest at the hotel is the first impression of the quality service they will receive during their stay at the hotel.

Procedure

Check-in process

1. As the guest approaches the counter, you should make eye contact, smile, and wish him/her according to the time of the day, and by name, if you happen to remember it. 'Good morning Mr Smith, May I help you?' It is important to remember that even though you might be busy attending to another guest or a phone call, you must acknowledge the presence of the check-in guest with: 'I will be with you shortly, please give me a moment'.
2. As the guest expresses his desire to check-in, you say, 'Welcome to the Indian Hotel, would you be kind enough to give me your last name sir?'
3. Check for the name in the system and locate the correct reservation.
4. While you are interacting with the guest, it is important to remember the following: Always smile. Your body language should be welcoming and show warmth. Use proper English and do not have discussions between yourselves. Once the guest has given you his/her name, every sentence should be prefixed/suffixed with his/her name.
5. Make polite conversation with the guest, e.g. 'Is this your first visit to India?', 'How was your flight Mr Smith?' or 'You must be here on a business trip'.
6. If you cannot find the reservation, call the duty manager and say, 'Please give me a few moments, Mr Smith, as I am asking for some assistance from my Duty manager'. The guest should never be informed that there is no reservation for him. The duty manager should handle the issue.
7. If the reservation record has found, obtain the registration card, put the same in the registration card folder properly, and present the same to the guest along with the open pen, and say, 'May I have a few details please, Mr Smith?'
8. While the guest is filling the registration card, please remember the following: Assist the guest with the registration card, and do not just give him the same and ignore him.
9. The following details must be taken during a guest's first visit:
 - Full name in detail
 - Passport details
 - Payment instructions
 - Departure date and flight number
 - Coming from and going to
 - Obtain a business card (must for first-time corporate guests)

10. Take his preference of room, (non-smoking, high floor, near elevator, etc.), but do not confirm the same to the guest. While checking for preferences, say: 'Do you have any preferences with regards to the room as we will try our best to meet them during this visit as well as the future ones'.
11. While filling in the registration card, see the billing instruction, and depending upon the billing instruction, please repeat the billing instruction to the guest. In case it is to company or travel agent, please repeat the same to the guest: 'Mr Smith, the billing instruction as of now is that the room and breakfast will be sent to the company for payment and the other charges will be paid by you directly. Is that alright, sir?'
12. On the guest expressing his choice for the payment mode, you ask: 'How would you like to settle the bill, Mr Smith?'
13. Obtain the credit card/other billing documentation (voucher, letter etc.), and process the same. In case advance needs to be taken, process the credit card for an amount equal to the room charges for the proposed duration of stay plus one night's charges.
14. Depending upon the guest handling, you may choose to identify a room for him while he is filling his registration card (which is the ideal situation), or now is the time to say: 'Please give me a moment while I locate a room of your choice' (In case a room has not been pre-blocked).
15. Identify the room. After blocking a room, as per the guests' request, mention the room number on the registration card and make a key card. Handover the same to the guest.
16. Handover the room key to the concierge, informing the guest that the concierge will help you with your luggage and will escort the guest to the room.
17. Wish the guest a pleasant stay.
18. Show the check-in in the system. Sign on the registration card along with the time and update the guest profile. Attach the correspondence and give it to the duty manager for signature.
19. In case you are unable to obtain a room of the choice of the guest, in spite of having prior information, please call the DM.
20. After about 10 minutes, call up the room and check with the guest if all is well, and say: 'Mr Smith, this is Sonia speaking from the front desk. I hope the room is to your liking'. (after hearing from guest). Say 'If there is anything that we can do, please do call us. Have a pleasant stay with us.'
21. In case the guest makes a remark or comment about the room or any other issue, immediately update the DM who will resolve the issue after speaking to the guest.

Situations

In case the requested room is not available, do not upgrade immediately. Try to obtain a room in other floor. Depending upon the profile of the guest, the DM may request a few moments to obtain a 'suitable' room. However, if you have to upgrade, say: 'Mr Smith, we are upgrading you to a.....room which has the additional facility of.....'

Important Issues

1. A walk-in guest must be taken only after informing the DM and obtaining a secure form of payment. In case it is cash, a suitable amount must be taken along with an identification mark, like business card, etc.
2. All VIP check-ins have to be handled with extreme care, and the DM has to be called/paged so as to escort him to his room.

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3. Your product knowledge is the key to good guest service. If you are not sure about something, do not promise or advise the guest. It is better to say: 'May I get back to you on this within a few moments', rather than give him wrong information.

Handling FIT (Free Individual Traveller) Arrival

On-Arrival Procedure

1. Welcome guests.
2. Ascertain room requirements and cross-check with the movement list.
3. Hand over Guest Registration Card (GRC) to the guest along with an open pen. Assist the guest in filling up the GRC.
4. While guest fills up the GRC, select a room from the list of ready rooms, keeping the following in mind:
 - (a) Guest choice, if any.
 - (b) Room is free for entire duration of guests' stay, i.e. it is not blocked for any other guest during the period, or is not likely to be put under maintenance.
 - (c) Key is available at the reception, along with the key tag.Prepare the Resident Card/Welcome Card/Key Card.
5. Ensure that all the details are filled in properly in the GRC by the guest. Pay special attention to the following:
 - (a) Spelling of the guest's name.
 - (b) Complete postal address of the guest.
 - (c) Expected date and time of departure.
 - (d) Complete passport details of foreigners.
 - (e) Certificate of registration details of foreigners who have stayed in India for more than three months; in case of nationals of Pakistan and China, on arrival.
 - (f) Guest signature.
 - (g) How the guest will settle his bill.
6. In case the guest wishes to settle the bill directly at the time of departure, and he/she is a scanty baggage (SB) guest, then, request the guest to make 'On Account' payment. Be diplomatic while doing this. Do not let the guest feel that his financial position or integrity is being challenged.
7. Hand over the resident card to the guest and request him to sign on it. Also, hand over any letter or message that has been received before the arrival of the guest.
8. Announce the room number and brief location of the room to the guest.
9. Introduce the guest to the bell boy, handing over the key to the bell boy, and wish the guest a pleasant stay.

Post-Arrival Procedure

1. Sign the GRC.
2. Make the Arrival Notification Slip (Fig. 4.2) and update room rack and information rack.
3. Dispatch Notification Slip to the following section/department:
 - (a) Telephone
 - (b) Room Service
 - (c) Housekeeping
4. Get the telephone connection released.

5. Put a tick mark against the guests' name on the movement list and write down the room number of the assigned room against the name of the guest.
6. Make an entry in the Arrival-Departure Register.
7. Open the Bill Folio and note down the billing instruction on it.
8. Update room position.
9. Make C-Form in case of foreigners.

Handling FIT Guest Baggage on Arrival

It is the responsibility of the concierge that the bell attendants collect and deliver all guest baggage to the guestroom on time.

Reason

This will ensure that the all guests' baggage is delivered efficiently and promptly.

Procedure

1. All guests to be greeted and their baggage off-loaded from the vehicle (by the bell attendant).
2. The luggage should be brought inside and kept at the bell desk counter.
3. The guest name from the baggage tag is referred with the computer system and accordingly baggage is sent to the guest room by the service elevator (The guest elevators should not be used for carrying luggage).
4. In case the guest baggage does not have a name tag, then after check-in formalities the bell boy checks the room number with the front desk and again the delivery is done by service elevators to the guest room.
5. On reaching the room, the baggage is to be placed on the baggage rack and bell attendant must explain room facilities to the guest, i.e. AC control switch, usage of telephone for hotel services like room service, butler switch/curtain control panel, etc. (room facilities must be explained to guests).
6. Check if the guest requires any further assistance e.g. laundry or a drink.
7. Wish the guest a very pleasant stay and leave by closing the door very gently and proceed back to the bell desk.
8. Make proper entry of check-in, in the errand card.

Handling Chance Arrival

On-Arrival Procedure

1. Welcome the guests.
2. Ascertain room requirements and check for the availability from the room position.
3. If not available, suggest alternate accommodation and offer assistance to arrange accommodation in another hotel of the same standard.
4. If available, give a choice of rooms to the guest with brief description of rooms. After the guest has made his choice, hand over the GRC. Assist the guest in filling up the GRC.
5. While guest fills up the GRC, select a room from the list of ready rooms, keeping the following in mind:
 - (a) Guest choice, if any.

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- (b) Room is free for entire duration of guests' stay, i.e. it is not blocked for any other guest during the period, or is not likely to be put under maintenance.
- (c) Key is available at the reception along with the key tag.
- 6. Prepare the resident card for the chance arrival (normally a different coloured card is given to chance guests).
- 7. Ensure that all the details are filled in properly in the GRC.
- 8. Ask the guest, how is he going to settle his bill.
- 9. In case he wishes to settle the bill directly at the time of departure, and he/she is a scanty baggage (SB) guest, then, request the guest to make 'On Account' payment.
- 10. Handover the resident card to the guest and request him to sign on it.
- 11. Announce the room number and brief location of the room to the guest.
- 12. Introduce the guest to the bell boy, handing over the key to the bell boy, and wish the guest a pleasant stay.

Post-Arrival Procedure

Same as that of an FIT arrival, except that you pass on instructions regarding credit check if any, to the various sales outlets, if in-house credit facility to the guest is withdrawn (PIA—Paid in Advance Guest), but ensure that the guest is informed about it before he is refused in-house credit facility.

Handling VIP Arrival

Pre-Arrival Procedure

1. Block room, after checking from housekeeping that room is fit to be allotted to a VIP; keeping in mind guest's choice of room, if any.
2. Ensure that original and duplicate key of the room is available.
3. Send amenities voucher that may include complimentary fruits, flowers, cookies, soft-drinks, printed stationery of the guest, etc. to the concerned departments at least one day before the arrival of VIP.
4. On the day of arrival, ensure that all complementary items are placed in the room before the guest arrives.
5. Check for any mail, message or packets already received, and keep them handy.
6. Inform the bell captain the name of the guest, the allotted room number and the expected time of arrival.
7. Pre-register the guest.
8. Prepare the welcome card.

On-Arrival Procedure

1. Welcome the guest.
2. Present the pre-registered GRC for the guest's signature and obtain missing details, if any.
3. Hand over the welcome card to the guest, requesting him to sign it, and also hand over any mail or message if already received for him.
4. Announce the room number and location of the room.
5. Introduce the guest to the lobby manager/GRE, and hand over the room key to the person escorting the guest to the room.

6. Wish the guest a pleasant stay.

Post-Arrival Procedure

1. Check with bell captain that the guest’s luggage has been sent to the room.
2. Inform housekeeping, telephones and room service immediately over phone about the arrival of the VIP guest. Other procedures are same as that for FIT arrival.

VIP Escorting

All the guests who are classified as VIP’s, or are suite arrivals are met with and escorted to the room/suite assigned, by the duty manager or the GRE for the check-in.

Reason

The purpose of this policy is to make the guest feel recognised and important at the hotel. This will also ensure that the guest is roomed comfortably in the minimum possible time.

Procedure

1. The front office assistant on identifying the guest as a VIP, calls the duty manager on duty to welcome the guest.
2. The duty manager welcomes the guest and introduces him and the services offered by the hotel while he/she takes the guest to the room.
3. The guest is shown the room and his registration formalities completed by the duty manager in the room/suite.
4. In the meanwhile, the front office assistant informs the bell captain regarding the guests room/suite number so that by the time the check-in formalities are completed, the bell attendant can wait to deliver the baggage outside the guestroom/suite.
5. In case the guest is reserved for the Club Floor, the front office assistant or the duty manager should escort the guest to the floor, where the floor manager or his assistant greets the guest, helps to register and escorts the guest to the room.
6. In case the duty manager is occupied, the GRE or front office assistant will escort the guest to the respective room/suite. However, this should only happen during exigencies.

Indian Hotel	
Arrival/Departure Notification	
SI No.: 56885	Date _____
Name: _____	Room No.: _____
Number of Persons: _____	Time of Arrival: _____
Length of Stay: _____	Time of Departure: _____
_____ Receptionist's Signature	RS/HK/Telephone/File

Fig. 4.2 Arrival/departure notification slip

Indian Hotel Amenities Voucher	
SI No. 3745	Date _____
From: Front Office	
To: Housekeeping/Room Service/Pantry	
Please Supply:	
<input type="checkbox"/> Fruit Basket Small/Medium/Large <input type="checkbox"/> Flowers Small/Medium/Large <input type="checkbox"/> Soft Drinks	<input type="checkbox"/> Cookies <input type="checkbox"/> Chocolates <input type="checkbox"/> Others
Guest Name _____ Room No. _____ At _____ Authorised by: _____ Card to be attached of _____	
_____ Signature	

Fig. 4.3

Indian Hotel Errand Card (Arrival)	
Bell Boy Name: _____ Number: _____	Arrival Date: _____ Time: _____ Room Number: _____ Name: _____ Description of Luggage <div style="text-align: right;"> _____ Signature </div>

Fig. 4.4

Backside

Frontside

	<p>INDIAN HOTEL</p> <p><i>RESIDENT CARD</i></p> <p>123, KP Road Kolkata Phone: 0091 33 23474744 Fax: 0091 33 23474745</p>
--	---

<p><i>CAFÉ</i> The Coffee Shop</p> <p><i>DARBAR</i> The Indian Speciality Restaurant</p> <p><i>PATAKA</i> Bar</p>	<p>Mr./Ms. _____</p> <p>_____</p> <p>Guest's Signature _____</p> <p>Room No. _____</p> <p>Rate _____ Plan _____</p> <p>Arrival Date _____</p> <p>Departure Date _____</p> <p>Departure Time _____</p> <p>_____</p> <p>Receptionist 's signature</p> <p>* For your security this card must be produced while obtaining your key or while signing your bills</p> <p>Deposits all valuable with our cashier</p> <p>Kindly return this card at check-out</p> <p>We wish you a comfortable stay</p>
---	---

Inside

Fig. 4.5

Indian Hotel Bill Folio								
SI No.:34555				Date: _____				
Name: _____			Room No. _____		Rate: _____			
Arrival Date: _____ Time: _____			Dep. Date: _____		Time: _____			
Plan: _____				Billing Instruction _____				
Date	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.	Amt.
b/f								
Room								
Food								
Drink								
Tobacco								
Miscellaneous								
Business Centre								
Laundry								
Telephone								
VPO								
E. Tax								
L. Tax								
Serv.Charge								
Total								
Checked & Found Correct Please Forward the bill to M/s. _____ _____ _____			Account Rendered Bill No.				_____	
			Grand Total				_____	
			Less Payment Rt. No.				_____	
			Allowance				_____	
			Net Payable				_____	
_____ Signature of the Guest				_____ Billing Clerk				

Arrival side of the A D Register

Fig. 4.6

Indian Hotel															
Arrival Departure Register															
ARRIVALS										Day: _____ Date: _____					
GRC No.	Name of Guest	Nationality	Room No.	Pax	Rate	Time of Arr.	Arr. From	Dep. Date	Purpose of Visit	Passport Details					Sign
										Date of Arr. In India	PP. No.	Date of Issue	Place of Issue	C-form No.	

Fig. 4.7 Arrival side of the Arrival/ Departure Register

Handling Group Arrival

Pre-Arrival Procedure

1. All documents pertaining to the group are taken out and stapled together.
2. Room requirement of the group is checked from the voucher or confirmation letter and any special requirement is noted down.
3. Rooms are blocked in the room rack or room plan chart and housekeeping is informed to make the rooms ready before the arrival of the group. A room plan chart is used generally for groups and VIP's.
4. It is ensured that electronic card keys of all rooms are available at the reception or keys along with their key tags, in case of manual keys.
5. The concerned person is informed to make arrangements for traditional welcome.
6. The barman is informed to keep the welcome drink ready.
7. Final room-clearance is taken from housekeeping.
8. Three copies of rooming-list is made ready and tentative room allocation is done with pencil.
9. Three copies of the passport list is made ready in case of foreigners.
10. Key cards are prepared and put in key envelopes along with room keys.
11. Complimentaries placed in the room of the group leader is checked by the receptionist.
12. Bell captain is informed about the expected time of arrival of the group.
13. Mails and messages of the group are checked and kept ready.
14. A locker is reserved for the group leader with the cashier.
15. Pre-registration is done for the group.

On-Arrival Procedure

1. Traditional welcome or welcome is extended to the group.
2. Barman is asked to serve the welcome drink at the lobby.
3. The rooming list is handed over to the group leader for his approval. Changes are made, if any, on all three copies.
4. All the envelopes containing key and key card are handed over to the group leader. Receptionist assists the group leader in distribution of keys to the group members.
5. Baggage count is checked by the bell captain and informed to the group leader for approval.
6. One copy of the rooming list is handed over to the bell captain for marking the luggage.
7. Pre-registered GRC is presented to the group leader for his signature. The number of baggage (baggage count) is noted down on the GRC.
8. The original exchange voucher is taken from the group leader and meal instructions are noted down. It is always preferable to have the F&B manager introduced to the group leader.
9. Wake-up call time and baggage-down time are checked with the group leader.
10. The group leader's room key is handed over.

Indian Hotel	
Group Arrival Notification	
Date: _____	
Name of the Group _____	Time of Arrival _____
Name of the Group Leader _____	Room Number _____
Room Numbers _____	
Name of Indian Agency _____	
Name & Address of Foreign Agency _____	
Date: _____	Date: _____
Breakfast: _____	Breakfast: _____
Lunch: _____	Lunch: _____
Dinner: _____	Dinner: _____
Date: _____	Date: _____
Breakfast: _____	Breakfast: _____
Lunch: _____	Lunch: _____
Dinner: _____	Dinner: _____
Voucher Number: _____	Plan: _____
Morning Tea at _____ hrs. on _____	
Wake Up Call at _____ hrs. on _____	
Baggage Down at _____ hrs. on _____	
Expected Departure on _____ at _____ hrs.	
Special Instructions	
_____ Signature	

Distribution: GM / Ex Chef / Ex Housekeeper / F&B Manager / Bell Captain / Telephones / Group Leader / File

Fig. 4.8 Group arrival notification slip

Post-Arrival Procedure

1. The GRC is signed by the receptionist.
2. The receptionist ensures that the baggage is sent to the rooms.
3. Group arrival notification is prepared and distributed to GM, executive chef, executive house-keeper, F&B manager, bell captain, telephone exchange and group leader.
4. An entry is made in the arrival-departure register.
5. One copy of the group rooming list is kept in the group file.
6. Room rack and information rack are updated.
7. C-form is made in case of foreigners.
8. Wake-Call time is noted in the wake-call register.
9. Room position is updated, if required.
10. A tick mark is put against the group name on the movement list and the group leader's room number is mentioned next to it.
11. Two bill folios are opened; One for the bills to be raised as per the exchange voucher, and another for the extra charges to be collected directly. Original and duplicate vouchers and the rooming list are attached to the bill folio.
12. An entry is made by the name of the group in the alphabetical register, if in use.

Handling Group Baggage on Arrival

Reason

To ensure that all group baggage is delivered to the correct rooms within stipulated time of the guest arrival at the hotel.

Procedure

1. Before group arrival at the hotel ensure group rooming list is available for marking luggage by the bell attendants (3 copies need to be made for groups)
2. On arrival of a group for check in ensure that all pieces of baggage are removed from the coach and accurately counted.
3. Get the number of pieces verified by the group co-coordinator/leader.
4. Baggage is to be tagged immediately after verification.
5. Mark room numbers on the baggage tags only according to the rooming list (confirm the same with reception/group leader if there has been no change).
6. Deliver the baggage to the guest room immediately by the service elevators.
7. Upon arrival at the guest's room, ring the doorbell and announce yourself.
8. Greet guest by name and place baggage on the baggage rack.
9. Offer assistance with room facilities.
10. Wish the guest a very pleasant stay and take his leave.
11. Make entry in the arrival errand card.

Indian Hotel														
Wake Call Sheet														
													Date: _____	
Time		0430	0445	0500				0700	0715	0730	0745	0800		
Room														
101														
102														
103														
104														
105														
106														
107														
201														
202														
203														
204														
205														
206														
207														
301														
302														
303														
304														
305														
306														
307														
401														
402														
403														
404														
405														
406														
407														

Fig. 4.9 Wake call sheet

Registration of Foreigners

The Registration of Foreigners Act, 1939, Section 3(E), Rule 14, makes it obligatory on the part of the hotels to send information of the foreigners registered in the hotels.

In metro cities and big towns, the hotels are required to send the information to the Foreigners Regional Registration Office (FRRO) within 24 hours of the foreigners' arrival.

In other cities and towns, the information is to be sent within 24 hours of the guests' arrival to the office of the superintendent of police of the area or town. The format for sending information is laid down in the Act as Form-C. This information in C-Form is to be sent in duplicate in case of small cities and towns, since office of the police superintendent keeps one copy and sends the other copy to the FRRO. The Foreigners Regional Registration Offices are situated at Delhi, Kolkata, Mumbai, and Chennai for North, East, West and South zones.

For nationals of Nepal and Bhutan, it is not required to fill in C-Form as they can visit India without a passport.

C-Form for Foreigner Free Individual Traveller (FFIT)

At the time of check-in, a foreigner guest is required to fill in his/her passport details in the column provided in the Guest Registration Card of the hotel. The receptionist should ensure that the details provided by the guest tally with the passport. These details are the basis for making C-Form. For every FFIT, a separate C-Form is to be filled as in Fig. 4.10.

At the reception, it is absolutely essential that the receptionist obtains the passport details of all the guests registered to stay in one room. For example, if a foreigner couple checks into a double room, the passport details of both of them is required to be noted, unless they have a common passport. It is also important to note that; person of same nationality can be included in one C-Form. If a couple has same nationality, then a single C-Form, mentioning both names and passport details will be sufficient, but in case if their nationalities are different, then two separate C-Form will have to be prepared.

The Registration of Foreigners Act 1939 Sec - III (E) Rule 14 Hotel Arrival Report	
SI No. 5623	
1. Name of the Hotel/Guest House/ Dak Bungalow	_____
2. Name of the foreign visitor in full	_____
3. Nationality	_____
4. Passport Number	_____
5. Date and Place of Issue of Passport	_____
6. Address in India other than tourists	_____
7. Date of Arrival in India	_____
8. Arrived From	_____
9. Proposed Duration of Stay in India	_____
10. Whether Employed in India	_____
11. Number, Date and Office of issue of Certificate of Registration (if any)	_____
<div style="display: flex; justify-content: space-between;"> Date _____ _____ Signature </div>	

Fig. 4.10 C-form

Group C-Form

The group leader on arrival at the hotel provides the passport details of all the group members and signs the Guest Registration Card on behalf of the group. If the group members are of same nationality, then

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a single C-Form for the entire group is sufficient along with which the passport list is attached. But, in case if the members are of various nationalities, then separate C-Forms as per the number of different nationalities shall be required.

C-Form Control

To ensure that forms for all foreigners checking-in to the hotel have been prepared on time, a serial number is given to the C-Forms. This serial number is mentioned in the C-Form column of the arrival-departure register so that at a quick glance one can check whether all C-Forms are ready or if there is any one missing.

Dispatch of C-Forms to FRRO

A register is maintained at the reception where all details of the C-Forms being dispatched everyday to the FRRO are mentioned (Fig. 4.11). A pageboy is deployed to take this to the FRRO every day in the morning. It is important to take the acknowledgement of the receipt of these C-Forms from the FRRO.

Indian Hotel			
C - Form Dispatch Register			
Sl No.	Name	Nationality	C - Form No.
Delivered By:		Received By	
Name _____		Name _____	
Designation _____		Designation _____	
Signature _____		Signature _____	

Fig. 4.11 C-form despatch register

Single Lady Guest

Whenever a single lady checks-in the hotel, in order to protect her privacy call back or screen calls procedure is offered to the guest. If she confirms her acceptance, then all her calls are put on to one of these procedures. This procedure must be followed only after the guest has accepted. The single lady should be preferably roomed in areas that are easily accessible by lift or closer to the lobby and not at the end of corridors, secluded corners, etc. Nowadays, renowned hotels have one or two dedicated floors for single lady guests.

Reason

It is important to provide the highest level of security and extra attention for the single lady guests and see that they feel comfortable and secure in the hotel.

Procedure

1. When there is a reservation for a single lady, the front office assistant blocks a room closest to the lobby/lift, unless stated otherwise.
2. The front office assistant should check whether the reservation has an attribute that the guest is a single lady at the time of room assignment.
3. When the guest check's in, her calls are routed through the operator who announces the caller's identity and reconfirms whether the guest knows the caller, unless she refuses for the same. This procedure is a precautionary measure against any hoax-calls that may upset the guest in any way, and can have an adverse effect on the hotel's reputation. This is called the call-back procedure.
4. The identity and the room number of a single lady are to be never disclosed to any caller by the hotel staff.
5. A courtesy call is given to the guest, preferably by the lady staff to check if the guest is comfortable.

The single lady guest's identity and the room number is not disclosed to any body and all her calls are put on the call-back procedure or all her incoming calls are checked with her if she wants to take that call or not. A discreet secrecy is maintained for the benefit of all.

Room Assignment

The front office assistant in the morning shift checks tentative room blocking done by the night shift, and amend wherever necessary and if required. This is done so that each guest's room is ready one hour prior to arrival, to ensure a smooth check-in without the guest having to wait.

Reason

The rooms assigned to the guests must be done according to the guest preference and requirement.

Procedure

1. The front office assistant, while going through the arrival list for the day, marks the special requests of the guests.
2. The front office assistant should then look for the available, the vacant and dirty rooms that can be pre-assigned to the guest, by checking the system.
3. The rooms should be blocked in the order of requests and preferences of the guests.
4. If in case the requests of the guests cannot be met, it should be seen that the guest gets the best alternative available, and the same explained to him/her on arrival.

5. It should be ensured that the individual guest profile of the guest requesting specific type of rooms is updated and the information used as a benchmark, for the further visits of the guest.
6. Room assignment should be done according to the time of arrival of the guest.

For all arrivals, rooms should be pre-assigned one hour in advance according to the requirement and preference of the guest. This reduces check-in time and ensures speedy and personalised service.

Room Not Clear

It should be the policy of the hotel to honour all reservations. However, on rare occasions due to booking situations, it may not be possible to honour all reservations. In such cases, the hotel must act responsible to meet the needs of the guest. Such actions as are appropriate should be taken at the expense of the hotel.

Purpose

The purpose of this to ensure that if a guest with a booking has to be relocated, this guest be made as comfortable as possible so that the guest might return to the hotel in future.

Procedure

When it is not possible to accommodate a guest with a confirmed reservation, immediately upon arrival, the hotel will adhere to the following procedure:

1. If no rooms are ready on arrival, the DM will inform the guest of the duration of delay. The DM will escort him to the restaurant/bar of his choice and offer him meal/drink depending on the time of the day.
2. The reception to carry the guest name as registered at the hotel with a note concerning the guest's present location so that the persons attempting to contact the guest can be put through to him.
3. The duty manager will ensure that a room is made ready at the earliest.
4. During the morning hours when the guest is in the hurry and wishes to leave immediately for business appointments and requires wash and change facility, he may be offered use of fitness centre. Guest baggage should be stored at the bell desk and when a room is allotted, it should be placed in the room.
5. Once the room is ready, the DM should inform the waiting guest and accompany him to his room and express appropriate apologies.
6. A wine bottle, chocolates or fruit basket is sent to the guest room with an apology letter from the rooms division manager.

Any guest who is a RNC is immediately deemed as important. A signed card should be sent to the guest along with the amenities as service recovery.

Wash and Change Room

Usually hotel offer wash and change room to some important guests in case the hotel is full and/or late departure.

Purpose

The purpose of this policy to give room to guests for a maximum of three hours based on the guest needs keeping in mind the guest profile and the immediate and future business.

No wash and change room is to be given without FOM/DM authorization. The following details are necessary for showing check-in:

- Name of the guest
- Name of the company
- Reason
- Duration
- Authorized by

Complimentary Stay

The hotel extends courtesies like entire stay complimentary or room only complimentary to many of their valued guest; all such cases need to be authorized by the general manager, resident manager or the sales and marketing manager.

Purpose

The purpose of this policy is to ensure that no charges are to be taken from the guest at the time of settlement of bills.

Procedure

1. All the complimentary rooms have to be authorized by the GM, there is a special form called the complimentary room slip which needs to be filled.
2. The staff requesting for a complimentary room must fill this form and send the same to the GM's office for authorization.
3. Once the form is signed, it is sent to the reservations to make the booking.
4. At the time of departure, the cashier must check for the billing instructions, if the whole stay is complimentary, then the guest is asked to sign the bill only.
5. If a part of the bill is to be charged to the guest, then the same is presented to the guest for settlement.

Suite Check-in

It is the policy of many hotels to do all the suite check-ins in the suite itself by the GRE or the duty manager.

Reason

The purpose of this policy is to ensure that VIP guest are given the highest standard of attention on check-in.

Procedure

1. The FOA must check for the suite arrivals at the beginning of each shift.
2. Make sure the registration card is ready with all correct details.
3. Keys must be ready.
4. Check if any welcome letter from the GM needs to be placed, check for the letter heads placed in the room in the stationary folder.
5. Keep the GRE and the duty manager informed of any details as and when known.

To ensure that the guest feel special by offering flawless service. All suite arrivals are to be treated as extremely important guests as in most cases they are very senior people from important corporate.

Handling Corporate Guest

It is the responsibility of the hotel to receive all corporate guests on arrival by the GRE on duty, and due courtesies extended. For corporate guests and suite arrivals, all guests have to be met and escorted to their rooms and check-in is to be done in the room only.

Reason

To ensure that all corporate arrival are provided with due courtesies and are met by hotel personnel to provide recognition and importance as appropriate.

Procedure

1. The front office assistant must go through the arrival list and identify the corporate arrivals in his/her shift and ensure that rooms are pre-blocked and have been checked. He should liaise with GRE that the registration cards with all relevant details are ready along with the keys for all corporate arrivals, especially guests whose arrival details are known and who are availing of a pickup from the airport/station on arrival.
2. The duty manager must be informed as soon as a corporate guest checks-in.
3. In case the general manager of the hotel has sent a welcome note for the guest, the same has to be presented to the guest on arrival.
4. All corporate guests should be provided airport assistance (subject to flight details being available and an airport representative being on duty). The airport representative must meet the guest on arrival, welcome him/her and provide all necessary assistance until he/she is seated in the car to depart for the hotel.
5. The car driver must call the hotel from a designated point to inform of the guest arrival.
6. On arrival at the porch, the doorman should greet the guest, as per the standard arrival address to guests.
7. The bell desk should be aware of the same and should provide priority service.
8. Before the arrival of the corporate guest, the GRE should acquaint herself with the guest preferences and general background so as to have a positive conversation with the guest and provide personalized service and recognition to the guest.
9. On arrival at the hotel, the guest should be met and greeted by the GRE in the lobby and escort the guest to the room and take the check-in the room itself.

Handling Arrival of Layover Passenger

As per the policy of the hotel, any layover passenger carrying a STPC voucher (stopover travel passenger coupon) is to first ensure its validity, only then the room is given to the guest. In case of a complete flight as a layover, all the boarding passes are checked for their validity and the guests are roomed accordingly.

Reason

To ensure that layover or STPC passenger are roomed comfortably by checking the valid vouchers or boarding pass and convey information about meal schedules, extra charges, telephone charges, etc.

Procedure

STPC (Stopover Travel Passenger Coupon is a coupon) is issued to a guest who had been delayed by the airline due to the delay of his flight/fog, etc. This is issued by the airline, which is the cause of the same delay. The airline holds itself responsible for the same and ensures that the guest is roomed in a good hotel till the time his next flight is organised.

1. On arrival, the guest presents the STPC voucher and the front office assistant on duty ensures its validity and accordingly room the guest (You must ensure that the airline is on the hotel's credit list).
2. A walk-in check-in is to be taken and the voucher number along with the details mentioning the meals or transport etc. to be appropriately recorded.

Group layover : In case of an entire group checking in, the boarding pass acts as an identification tool. A layover sheet that helps in taking the details of all the guests is used and the keys that are taken out in bulk are handed over. The airport representative informs the duty manager about the flight delays and with the consultation of the same offers, the number of rooms that can be sold to the airline for the purpose of layover.

1. Rooming and billing instructions for this kind of layover is given to the duty manager by the airline directly.
2. A group movement report is taken out for distribution to different outlets.

Pointers

- The STPC voucher should be checked carefully, i.e., date and stamp of the airline and the services provided.
- Inform guest about the services provided by the airline.
- Inform guest that extras to be paid directly.
- Inform the guest about the meal timings and the venue.
- The layover group is then provided with a drafted letter giving the details about the services given by the airline and the departure details.

Standard

All layover passengers are guests who due to some reason have not been able to fly out, so they need to be handled carefully. As a standard, it is important to room these guest quickly but also a check needs to be maintained for the same.

Check-in of Guests Holding Discount Voucher and Coupons

If a guest at the time of check in presents a card or a voucher or a discount coupon, the same is to be honoured and after proper verification the applicable rate and inclusive are to be given.

Reason

The purpose is to ensure that vouchers, discounts coupons honoured by the hotel as per policy are accepted and the rate and inclusive pertaining to the vouchers are appropriately given to the guests.

Procedure

1. The cards/vouchers/coupons are the benefits provided to the user by the issuing company for the purpose of retention of the customer. It could be issued from within the hotels or issued from a company that has a liaison with the hotel with regards to the same.
2. Once the guest presents the same, the front office assistant taking the check-in verifies it and accordingly informs the guest about the facility that is being offered.
3. The guest is then roomed accordingly and the normal check-in procedure is followed.

Examples: FHRAI card, upgrade or discount coupons, frequent flyer program certificates (promotions), credit card promotions, food and beverage invitations, inner circle card, etc.

Note: No two discounts are to be given together. No two certificates or vouchers are valid together. Only one benefit can be obtained at one time. A guest carrying benefit cards/vouchers/coupons is a guest who is a frequent user of the hotel or the airline in question, thus is an important customer. It is important to ensure that this customer is given all the benefits he is entitled to and is well looked after.

Dealing with Turn-away Guest

The guests holding a confirmed reservation and is being refused accommodation on the day of arrival due to reasons like overbooking or extended stays are turned away. The turn away guests are given special attention and arrangements for the stay made in the similar type of hotel at a similar price.

Reason

The purpose of this is to give special attention and make arrangements for the guests who are refused accommodation to get them back to the hotel.

Procedure

1. Guests being turned away must be handled only by the DM or any other senior manager.
2. When the rooms are not available for the guests with the confirmed reservations, alternative arrangements in the similar type of hotel are made.
3. The front office manager or the DM scans the arrival list and identifies the guests who could be turned away.
4. The guests who are to be turned away to the other hotels are informed of the same on their arrival, preferably at the airport and sent to the hotel where the arrangements for their stay is made.
5. If the guest insists for a room in the hotel, the guest is asked to wait and given the room as soon as one is available. However, if there is no possibility of any availability, the guest must be informed of the same.
6. Make arrangements for a transport for him/her to go to another hotel. Ask the time he/she would like to come back to the hotel the next day.
7. A dummy room check-in is done to keep a track of any messages or queries.
8. The telephone operator, FOA and DM must be informed about the guest's movement, to give correct information to incoming calls and queries for the guest.
9. The guest is called and informed about the room availability and a room is blocked for the guest, if the guest agrees to shift back.
10. A complimentary pick up from the hotel is provided to the guest to bring him back to the hotel at his convenience and an officer/concierge is sent to escort the guest back to the hotel.
11. The special amenities along with the apology note are placed in the guestroom as a service recovery.
12. A courtesy call is given to the guest by the DM to ensure the highest level of satisfaction.

Whenever guests with guaranteed reservations are not accommodated and turned away to competitive hotels, on return and for future visits, they should be given priority over others in terms of accommodation.

Upgrading a Guest

The guests with confirmed reservations are given the next higher category of room, when the preference of the room category reserved for is not available.

Reason

To maximize guest satisfaction and exceed guest expectations.

Procedure

1. The FOA, at the time of the check-in, must look for the room with the attributes specified in the reservation.
2. In case the room with the desired attributes is not available, then the room closest to the one requested by the guest is offered to the guest.
3. In case it is felt by the FOA that the guest is unlikely to accept the alternate, a room of the next higher category with the knowledge of the DM is offered to the guest at the rate confirmed to him.
4. In case the upgrade is due to the unavailability of the category the guest was booked for, he/she must be informed that he/she has been upgraded to the next category for the stay.

5. The guest is roomed in the upgraded room and within ten minutes, the guest is called to check if the room is comfortable.
6. System is updated with the reason for the upgradation.
7. Great care must be taken to ensure that the rate is correct and the guest is not being over-charged.

The guest with the confirmed reservation is not to be refused accommodation even if the guest has to be upgraded.

Downgrading a Guest

This pertains to giving rooms, which is of lower category than the category the guest is originally reserved for. This is done only in case of non-availability of the particular category in sold-out situations. It is to be ensured that the guest is explained of the same and apologized for the inconvenience.

Reason

This will ensure that whenever such a situation arises in the hotel, the guest is handled professionally and service recovery measures for the mistake taken immediately.

Procedure

1. All efforts must be made to prevent a downgrading of arrival.
2. In case of non-availability, the guest must be met and apologized by the DM and a time ascertained to shift the guest to the originally reserved category the following day.
3. In case of more than one guest from the same organisation, sensitivities of designation, status must be kept in mind before downgrading.
4. Guest relations to obtain a print out of all downgrading the following day and initiate action for shifting to respective categories.
5. Rate to be adjusted accordingly.
6. All such rooms to be checked for all amenities.
7. Letter of apology to be sent from the front office manager.

Downgrading must be avoided as far as possible, only the DM or the FOM must decide on the guest that need to be downgraded, DM must meet him/her on arrival and explain the matter. An apology note must be sent.

Miscellaneous Responsibility of the Front Desk

The front desk not only handles the guest queries but also has to understand the need of maintaining records, issuing complimentary orders, taking reservations (room + table), providing information and interacting with the guest.

Reason

To ensure all the guests queries and needs are met.

Records

Front desk log gives brief information about the front desk position in terms of VIP arrival, group arrivals, parcels and packets at the reception, room shifts that need to be done.

Reservation

1. All reservations pertaining to either room or table that come directly to the front desk should be handled as per the request (such happens only when the either sections i.e., Reservation and F&B outlets are closed).
2. In case of room reservation, an immediate reservation is created on the computer system and all future reservations are handed over to the reservation section on the reservations form.

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3. While in case of table reservations, all needs to be done with coordination of the operator is to ensure no overbooking is done.

Information

1. The front desk staff should be aware of the city and the hotel facilities.
2. Detailed information on the computer systems also is one source of information.
3. In the manual system, a 'Service Directory' is extremely helpful.

Complimentary Order Form

All amenities that are sent for the purpose of VIP arrivals, special requests, and guest birthdays and welcome drinks are to go through the front desk authorized by the duty manager.

Note: A set standard needs to be followed for all the above activities keeping in mind the liaison departments.

Handling Request for Late Check-out

The late check-out is given to the guest only if he/she is extending his/her stay for three to four hours beyond 12-noon check-out time. In case the guest is extending his stay beyond six in evening, then half-day or full day charge is offered. Late check-outs during sold-out periods should be subjected to room availability and strictly at DMs discretion.

Reason

The purpose of this policy is to provide an extra convenience of staying beyond the time of check-out, extended to regular/VIP guests without any room charges.

Procedure

1. Check with the guest till what time he/she requires the late check-out. Offer late check-out if extended stay is just for three to four hours. In case if the late check-out is beyond 1800 hours, then offer half a day rate.
2. Note down the late check-outs and half-day charge in the appropriate column.
3. Inform the lobby manager about the late check-out or half-day charges extended to the guest.
4. In few cases, the late check-out till a certain hour is extended to the company/VIP guests.
5. While extending or refusing a late check-out, the following must be considered:
 - Profile of the guest
 - Designation of the guest
 - Profile of the company
 - House position
 - Next day's arrivals.

Late check-outs should be allowed only to the guests who extend their stay by three to four hours beyond the check-out time. Company profiles must be checked and DM must be informed before giving late check-outs and half-day charges.

Precaution for Scanty Baggage Guest

The bell desk has to notify the DM if any guest checks-in having a scanty baggage (light or no baggage) to avoid having potential skippers (a guest who checks out without settling the bill).

Reason

The purpose of this responsibility is to avoid having guests who can be a potential skipper.

Procedure

1. In case of scanty baggage, the security has to be informed about the room number allotted to the guest.

2. Mode of payment to be confirmed from the guest.
3. If guest settling by credit card signed imprint to be taken, in case of cash settlement advance equal to twice the number of room nights to be taken and deposited with front desk cash.
4. In case of doubt, the DM to be informed immediately.

All scanty baggage guests must be informed to the DM. Advance to be taken after due authorization by the duty manager or after ascertaining that guest is not a VIP/corporate or a regular guest. Always check guest history.

Guest Stationery

For all the premiere floor and suite guests checking-in, four pages of personalized stationery printed on the guest service letterheads shall be kept in the pre-assigned room.

Reason

The purpose of this policy is to provide exceptional recognition to the guests and give them a feel of being a VVIP.

Procedure

1. All the stationery is to be printed on the respective hotel letterheads by the business center assistant.
2. These four sheets are then placed in the stationary folder of the pre-blocked room for the guest.

Four to six letterheads should be printed for a guest with initials of the first name and family name on the top right side of the sheet. Font style and the size should be according to the pre-determined hotel standard. It should be ensured that the letterheads used are clean and presentable.

Handling Request for Rental Equipment

Any request for the rental of equipment should be treated well in advance to avoid any inconvenience to the guest. All such requests have to be routed through the departments concerned and it is always best that they deal with the guest directly. However, the front desk has to be aware of all that needs to be organised.

Reason

The purpose of this is to anticipate the guest's business needs and exceed his expectations by coordinating with the business center.

Procedure

1. Any guest asking for equipment such as fax machine in room, extra telephone line in room, cellular phones, SIM cards etc; need to be informed about the charges related to hiring the same.
2. The front office assistant then gets in touch with the department or the agency dealing with and organises the same for the guest.

Requests taken for the guest's requirements for business equipment are to be conveyed to the concerned departments. Front desk should be aware of the rates of the rentals and usage rates and the same to be conveyed to the guest when taking the requests.

Up-selling

The guests at the time of check-in are informed of the higher categories of rooms and suites available along with the facilities offered, in order to make the guest aware of the better room and facilities offered by the hotel, which if accepted by the guest results in higher revenue.

Reason

The purpose of this is to optimize the revenue by selling the added facilities offered and the guest opts for the higher category of the product.

Procedure

1. The FOA, at the time of check-in, checks the room category reserved for the guest and the profile of the guest from his business card.
2. In case there is a scope for selling a category higher than the one that the guest is booked for (in terms of guests history and room availability), the FOA can offer the room type to be sold along with its add on.
3. The sales pitch should be polite, explain the facilities clearly but in short and benefits stressed upon.
4. Care must be taken not to be too forceful with the guests and ensure a positive brand contact.
5. Guests with billing instructions-bill to company and some specified companies must not be up-sold. Guests to be targeted for up-selling must be earmarked prior to arrival by the DM/FOM. If the guest agrees to take that next category of room, it is considered an up-sell.
6. Update system/record with suitable comments.

Only guests agreeing to pay for the next category of room is to be up-sold, otherwise the reservation should remain unchanged.

Materials Requisition

All the material stores are generally issued weekly on any particular day of the week. The requirement for the same is forecasted two days before and given to the DM for approval and the same is handed over to the front office secretary one day before to make the indent.

Purpose

The purpose of this policy is to maintain the required stock at the front desk to ensure smooth flow of operations, and also to keep a check on the material costs.

Procedure

1. The morning shift FOA is responsible for the material requisition and will check the par stocks and the requirements of the materials. The occupancies and the pattern of consumption are to be considered while requisitioning.
2. The material requisition is to be counter signed by the DM.
3. In case of any emergency, the stores can be requisitioned as and when required by the DM, after informing the stores manager.

Material requisitions should be done on a weekly basis, and it should be ensured that the requirement is well forecasted in advance and the budgets are taken into consideration. Emergency requisitions should be avoided as far as possible.

Shift-Briefing

The duty manager on duty conducts the shift hand over briefings, which is attended by all staff of incoming shift at the front office. The outgoing shift formally hands over the charge to the next shift.

Reason

The purpose of a shift briefing is to see that communication is effective and the entire staffs are aware of all the important arrivals for the day, incidents, happenings and follow-ups.

Procedure

1. The front desk staff assembles for the briefing at the place designated by the duty manager on the scheduled time, which is usually the back office at 07:30 hrs (for morning shift), 15:00 hrs (for afternoon shift), 21:00 hrs (for night shift).
2. The outgoing shift informs the incoming shift of the occupancy, arrivals, departures, current position and the follow-ups to be completed.
3. VIP arrivals for the day and VIP in-house are discussed in regard to their profile, importance and preferences.
4. All the promotions and events/activities taking place in the hotel (present and the future ones) are discussed.
5. The duty manager allocates the job responsibilities to the FOA and checks with the concierge and business center staff for any information that needs to be shared.
6. The duty manager also checks the grooming and appearance of the staff during the briefing.
7. At least one policy and procedure must be discussed during briefing; also a test must be conducted every quarter i.e., January, April, July and October to check the knowledge of all the staff in the front office.

Morning and Afternoon Shift Handover

It is the responsibility of the shift supervisor to ensure that all the jobs listed in file shown in Fig. 4.12 is completed. At the end of the shift, the supervisor is to sign and file the format.

Morning Shift / Afternoon Shift		
Date		
Sl No.	Responsibilities	Remarks
1	Registration cards checked for all arrivals	
2	Room blocking done until 1800 hrs and amenities for the same informed to all relevant departments	
3	Arrival List tallied with computer	
4	All arrivals for the shift checked into the system and profiles updated accordingly	
5	Billing instruction follow up done	
6	All arrivals for the shift registered on the arrival/departure register	
7	Housekeeping discrepancy report done	
8	Locators revised and deleted	
9	Key to rack done (if required)	
10	All messages are tallied and deleted from the system	
Room nos. Guests special requests/Guests complaints		
Supervisor's name:		
Signature:		
Date:		

(The format should be improvised according to the unit requirement.)

Fig. 4.12 Morning/afternoon shift format

Reason

To ensure that all the jobs to be done in a shift are completed before the shift ends. Also, the shift supervisor accepts the responsibility of having checked all the work done by the shift.

At the end of every shift, the shift supervisor must complete the above format with comments (if any) in the remarks column and file in the shift handover file.

Night Shift		
Date		
Sl No.	Responsibilities	Remarks
1	Registration cards checked for all arrivals and requisite correspondence i.e. mails and information of billing instructions attached to each card	
2	Checked for all await arrivals	
3	Arrival / Departure register updated for next day	
4	No-Show is recorded in the system	
5	Locators revised and deleted	
6	Registration cards compiled and filled	
7	C-form report printed and tallied and given to morning Bell Captain for sending to FRRO	
8	Arrival list is tallied with the computer & updated	
9	All arrivals for the shift checked into the system & profiles updated accordingly	
10	Billing instruction follow up is handed over	
11	Room blocking done until 1200 hrs and amenities for the same is informed to all relevant departments	
12	Room cleared by Housekeeping for arrivals until 0900 hrs	
13	All messages are tallied and deleted from the system	
14	All arrivals for the shift registered on the arrival/ departure register	
15	Retention report submitted to cashier and retention charged to guests after approval from Duty Manager	
16	Key to rack done (if required)	
Room nos. Guests special requests/Guests complaints		
Supervisor's name:		
Signature:		
Date:		

(This format should be improvised according to the unit requirement.)

Fig. 4.13 Night shift format

Night Shift Handover

It is the responsibility of the shift supervisor to ensure that all the jobs listed in the format shown in Fig. 4.13. At the end of the shift, the supervisor is to sign and file the format.

Reason

To ensure that all the jobs to be done in a shift are completed before the shift ends. Also, the shift supervisor accepts the responsibility of having checked all the work done by the shift.

At the end of every night shift, the shift supervisor must complete the above format with comments (if any) in the remarks column and file in the shift handover file.

GUEST RELATIONS

Anniversary and Birthday

It is the responsibility of the GRE to acknowledge the birthdays and anniversaries of all in-house guests.

Reason

This will ensure that the loyal guests are acknowledged to ensure continuous patronage and retention of these guests at the hotel.

Procedure

1. The GRE, on a daily basis, should print a birthday/anniversary list, not later than 1700 hours for the next day.
2. One copy should also be given to the FOM.
3. Based on the list, the GRE shall then make a note of it.
4. The concerned department should place the amenity in occupied rooms, before 1200 hours, and for expected arrivals, the same must be placed at least 2 hours before the expected arrival time of the guest, for the next day.
5. The morning GRE/DM should call the guest not later than 1000 hrs. The GRE/DM must call in the evening, not later than 2000 hrs in case the guest has checked in at late hours, and wish the guest accordingly.
6. The GRE/DM should also inquire if the guest would like any special arrangements in any of the restaurants for the evening so that the same can be passed on to food and beverage department.
7. All front office staff should be made aware of the guest birthday/anniversaries during shift briefings so that they wish the guest accordingly during any interaction to ensure a personalized touch.
8. The standard amenities that need to be offered are as follows:
 - Birthday/Anniversary flower bouquet with a happy birthday/happy anniversary note.
 - Fresh chocolate cake (approximately one pound) with a small candle on top along with side plate, knife and napkin.
 - Happy birthday/anniversary card signed by the GM/RM.

Guest birthdays and anniversaries should be acknowledged by extending greetings and appropriate amenities to enhance brand loyalty and develop a relationship between the hotel and the guests.

Courtesy Calls

The guest relation executives are to ensure that they give courtesy calls to all guests in-house with the exception of groups and conference guests during the course of the morning and evening shift. Also, to call the long staying guests on Sunday morning and/or afternoon.

Reason

This is done to make the guests feel cared for and also if they require any assistance. This is also done to follow up on departure details, billing instruction and checking guest feedback on guest preferred amenity.

Procedure

1. The morning GRE on duty is to take out the list of all guests in-house and personally call the guests in the room preferably between 0900 to 1200 hrs and then the same can be done from 1800 to 2100 hrs.
2. Before making the calls, the GRE is to check the previous day's list, to check on guests already called upon and guests having made a complaint or a request for assistance. This is done so that not more than one courtesy call is given to a guest. If a guest has made a complaint or requested for assistance, a follow-up must be done with the guest.
3. Check with the duty manager if any follow-up is required with guests regarding departure details, billing instructions, etc.
4. A standard phrase has to be used is: 'Good morning, Mr/Ms _____, this is _____ (the GRE's name). I am the guest relation executive from the hotel. I am calling to check if there is anything I could do to make your stay more comfortable. In case you require any assistance, do contact us at the guest relations desk and we will do the needful. Thank you very much.'
5. In case a guest is unavailable, a voicemail message should be left on his phone, along with the extension number for him to call back.
6. Once the guest's feedback is received, the same is communicated to the hotel management through the log book.
7. The courtesy call report is to be given to the FOM with guest's remarks on a daily basis.
8. The courtesy calls are also made to update guest preferences in the system by personally meeting the guest to build better relations between the guest and the hotel.

Standard phrases for checking on

- Billing instructions: Mr/Ms _____ we wanted to reconfirm the mode of settlement of your bills at the hotel.
- Departure details: Mr/Ms _____ would you like me to book a car on your departure from the hotel or would you require any other assistance then (hence reconfirming the day and time of departure).

Room Amenity for Corporate/VVIP/CIP Guest

It is the responsibility of the GRE to ensure that the attached note is placed in all first time corporate/VVIP/CIP guest rooms, and a follow-up on the same is done with regard to the guest preference.

Reason

This will give the guest a preference/choice in amenity that is placed complimentary by the hotel to be a part of rendering delighted service.

Procedure

Attached format must be printed according to the unit/guest preferences at the unit and placed in rooms for all first time corporate guests.

Dear (Guest Name - hand written) till Front Office Manager

The fruits and the bottle of wine placed in your room are with our compliments. However, to suite your preference, if you like us to provide you with something of your choice, kindly select from the list given below.

- Please select one of the following:
- Bottle of white wine
- Bottle of red wine
- An assortment of bottled fruit juice
- Four cans of Heineken beer
- Four cans of Kingfisher beer
- Four cans of:
 - Orange juice
 - Apple juice
 - Pineapple juice
 - Sweet lime juice
- Six cans of:
 - Coca Cola
 - Pepsi Cola
 - Seven up
 - Diet Coke
 - Ginger Beer
 - Ginger Ale

Please also select one of the following:

- A selection of seasonal fruits with peanut chocolates
- A platter of imported cheese
- A bowl of nuts and raisins
- Tea chest with banana bread
- Box of assorted Swiss chocolate
- Fresh canapé platter
- A cluster pack of Indian nut chocolates
- Fresh pastries of our pastry shop

Kindly hand over this letter to our guest relations executive. At any stage should you wish to change your selection, please contact our guest relations executive.

We thank you for choosing to stay with us.

With warm regards

Front Office Manager

Note: This format is meant to give corporate/VVIP/CIP guests a variety of complementary amenities to choose from. You may include and add on any specific complementary that are unique to your city or are key preferences of your guests.

||| HANDLING GUESTS

In hotels, you come across various types of guests. Your job is to serve them all equally well. Guests are different, each is unique and different from others. Your job is to keep them happy and keep them coming back, with good service, smile and courtesy.

Most of the guests essentially want the same thing, i.e. to be treated like important guests. They like to be treated as welcomed guests, not as intruders. They also like to be treated equal and respected.

If guests are looking only for speed in service, machines would have replaced humans. But they want something more from human beings which is smile, friendly attitude, concern and courtesy.

Our prime objective is to satisfy our guest's need, both physical and psychological. It is not a difficult task to satisfy our guest, provided we render services which we are supposed to render. As we discussed above, we receive various kinds of guests and we need to satisfy them. To handle them, we need to understand their nature and behavioural patterns.

Guests are categorised as under:

1. **Normal Guests** – Those guests who understand logic and it is easy to deal with and make them happy.
2. **Awkward Guests** – Those guests who do not understand logic. So, we need to be diplomatic while dealing with them.

Let us discuss how to deal with few common types of awkward guests.

Handling of Awkward Guests

Angry Guests

Apologise immediately for the specific inconvenience caused only. Do not try to give explanations and reasons. If you go on explaining, the guest will become angrier. Act immediately and do what he wants or needs. Do not argue. Logic does not work when one is angry.

Snob Guests

These are people, who show off and try to act smart. They speak highly about their contacts. Ignore the show-off but in such a way that the guest is not ignored.

'Break the rule for me' Guests

These are the guests who ask for favours which you are not allowed to do. For example, a guest asking for drink on a dry day or after the bar is closed. Be brief and do not argue. Only say: 'Sorry, I cannot do this, sir' or 'We are not allowed to do this, sir'.

Fussy Guests

These are the guests who go on complaining and grumbling without explaining their specific demands. Try to pick what they want. Ask them questions for which they have to answer either in yes or no.

Guests with Language Barrier

If a foreigner guest who cannot speak English or the local language, and you do not understand his language, is seeking for some service, there could be a problem. Try to get a person who can speak his language, e.g. the tour leader, in case of groups. If this is not possible, try to understand his signals.

Ignorant Guests

These are the guests who are not aware of the rules. For example, they can say: 'Why do you need my passport details?' Explain briefly and to the point, e.g. 'In India, legislation requires passport details'.

Impatient Guests

Deal with such guests as you would deal with an angry guest.

Socialiser

These are the men, who try to invite the female staff members like receptionists, hostesses, etc. out. In these cases, do not act offended, angry or surprised. Humour eliminates the problem easily. Say, for example 'I can go out provided my family can come along' or say: 'Sorry, I have a date with my fiancé'. If easing out this sort of situation is impossible, be firm but polite. Tell him politely that you will call the manager. If he continues, call the manager, whose appearance will put him in place.

Chatterbox

These are the guests who can take lot of your time. Be polite, considerate and courteous; do not be rude. Listen or appear to be listening. Look for a short break, make a short comment and say: 'Excuse me sir, I will be back in a moment' and move off. If one of your colleagues can give you a call on telephone, this will be ideal solution.

Timid Guest

These are the type of guests who never complain. If unsatisfied, they will simply not come back to the hotel. This is most important that such guests do not go unsatisfied. Ask them about their stay, comfort and services. Watch for signs of displeasure like frowns, sighs, finger tapping, etc. Speak to them and draw out their feelings.

Drunk Guest*1st Stage*

There is simple excitement handle him like a chatterbox. Logic is acceptable.

2nd Stage

Takes away control on emotions. The person becomes sad, depressed, and angry very easily. Deal with him like angry and impatient guest.

3rd Stage

Highly under influence of alcohol, movements are affected. Logic does not work. Try to draw his attention. Use your tact.

4th Stage

Totally paralysed. He can not control his limbs. He should be tactfully sent to his room or a taxi to be called for him and escorted.

ROOM CHANGE PROCEDURE

In hotels, guests are not normally shifted except if the guest wants a change of the room he is staying in; or the hotel might need a shift of the guest from one room to other for the following reasons:

- (a) The room might need maintenance.
- (b) The room is required for a VIP arrival.
- (c) Room was not given according to guest choice on arrival.
- (d) Some of the facilities are not according to standard and which guest is not happy about.

Procedure

As soon as the receptionist receives a request for a change of room due to any of the reasons discussed above, the receptionist looks for an alternative room of the same status and makes sure that the alternate room is perfectly all right in all respect and especially about the specific complaint, if there was any. Then the following procedure has to be adopted:

1. Change slip is filled in, which are distributed to the following departments/sections.
 - (a) Housekeeping
 - (b) Room Service
 - (c) Bell Desk
 - (d) Bill Section
 - (e) Telephone
 - (f) File
2. Room number is changed in the notification slips of room rack and alphabetical rack.
3. Room number is changed in the alphabetical register, if in use.
4. Entry is made in the arrival-departure register, but the room number is encircled. The night receptionist does not take into account these rooms as fresh arrivals as they symbolize shifting while making the night report.

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5. The receptionist then informs the bell captain for shifting the luggage from the existing to the changed room. (Shifting luggage in presence of guest is known as Live Move and in absence of guest, is known as dead move)
6. Finally, the receptionist informs the appropriate authority for the rectification of the fault in the room.
7. After the room change is completed, the receptionist calls up the guest to ensure that he is satisfied.

INDIAN HOTEL Change Slip		
Date _____		Time _____
From Room _____	To Room _____	
Rate Rs. _____	Rate Rs _____	
Guest's Name _____		
Reason for Shifting _____		
Signature of Receptionist _____		

Distribution: Bill Section/Housekeeping/F&B/Telephone/File

Fig. 4.14 Change slip

The change slip (Fig. 4.14) is also called room change slip/removal notification/transfer slip/movement slip/notice of move.

||| HANDLING MAILS

Mail handling is a very important function which the front office staff has to handle in the hotel. The front office staff has to be very careful that all mails get their due attention and are attended to, without any delay to avoid any embarrassment.

Procedure

Mails are of two types, Outgoing Mails and Incoming Mails. Outgoing mails are taken care by the bell desk. They have measuring scale and a stock of stamps to handle outgoing mails. Incoming mails arrive in mail bag which is taken to the GM's office or front office manager's office. There the mail bag is opened and the mails are date time stamped (Fig. 4.17). Then the mails are sorted into the following three categories:

1. Mails for management
2. Mails for staff
3. Mails for guests

All the mails for management are sent to the bell desk for distribution. The mails for staff are sent to the time office, where they are sorted department-wise and placed in the card racks of individual staff. All the guest mails are sent to the reservation section for further sorting. Mails of resident guests are sent to the front desk. From there, the receptionist sends them to various rooms through the bell boys, or is kept in the mail and key rack, if the guests are not in the rooms. Mails of those guests who are yet to arrive are kept in the reservation section as per the date of arrival. They are handed over to the reception everyday with the movement list. Mails for departed guests are separated out; mail forwarding slips are prepared, entry is made in the mail forwarding register and sent to the guest at the address mentioned in the GRC. Rest of the mails is marked with expiry date, which is one month from the date of receipt. After they are retained for a month, the front office manager issues instructions to send them back to the sender.

A mail forwarding register and a mail forwarding slip are shown in Figures 4.15 and 4.16.

INDIAN HOTEL						
Mail Forwarding Register						
Sl. No.	Name	GRC No.	Received On	Forwarded On	Signature	Remarks

Fig. 4.15 Mail forwarding register

Note: that for registered mails and courier, guests are called down to the lobby to accept them directly. In their absence, they are accepted at the front desk and handed over on return.

Indian Hotel

Mail Forwarding Slip

This address will be on file for 15 days, unless otherwise required.

Date _____

Name _____

Address _____

Mails Forward Until _____	Telephone Calls Forward Until _____
Hold Until _____	Hold Until _____

Signature

Front side

Record of Forwarded Correspondence						
Date						
Air Mails						
Telegrams						
Letters						
Postcardss						
Newspapers						
Magazines						
Packets						
Reg. Letters						
E-Mails						

Back side

Fig. 4.16 Mail forwarding slip

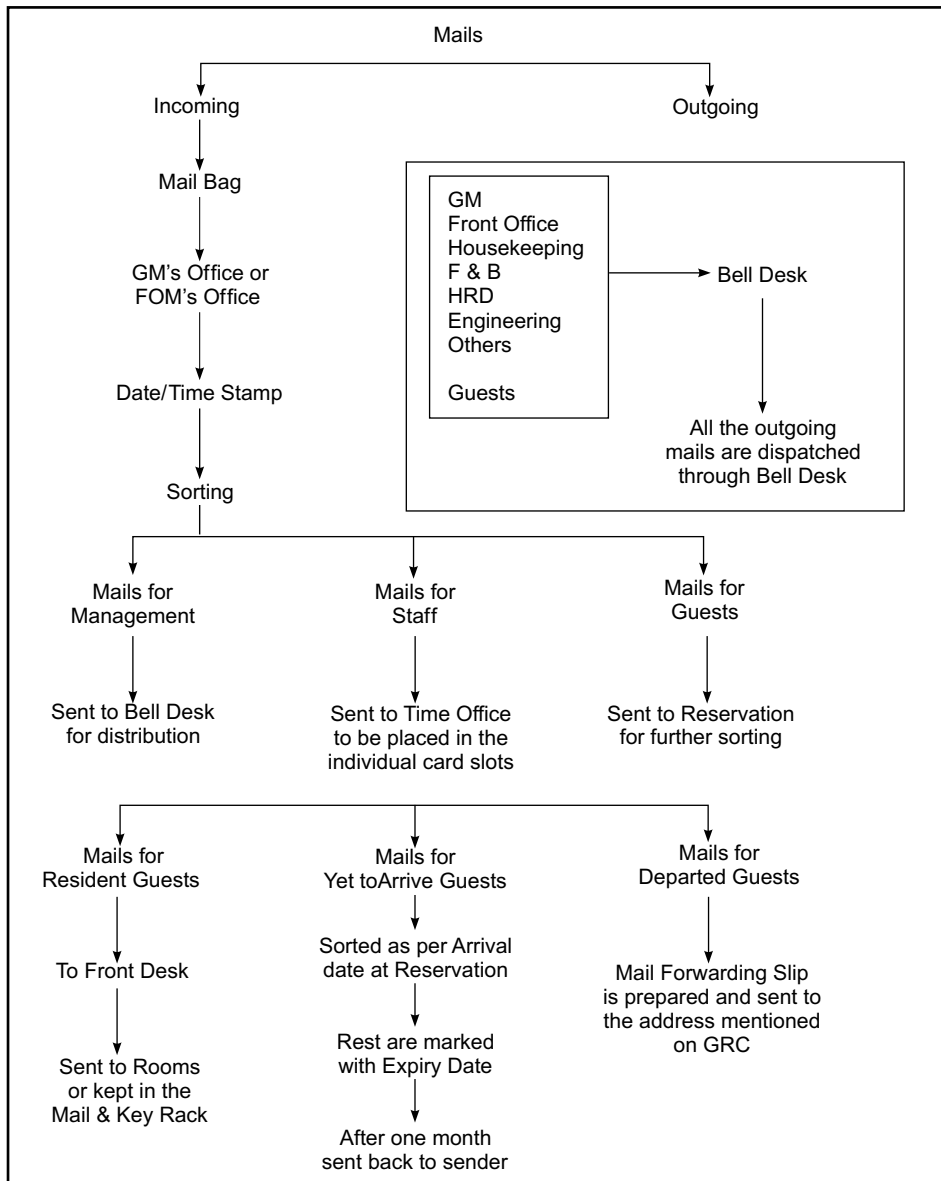


Fig. 4.17 Handling incoming and outgoing mails

||| HANDLING MESSAGE AND PAGING

One of the most important services which the information section of the front office provides to the guests of the hotel is handling and delivering of messages. The most important aspect of this is that the

message is delivered without delay and to the right person. During the stay of the guest in the hotel, he may receive visitors or phone calls. If he/she is available in the room, then the call is transferred to the room. When the guest is out of the room and has not left any location, then it becomes the duty of the front desk staff to collect message for him and deliver the same as early as possible.

Procedure for Telephone Calls

At times, the guest may not be in the room and might go out for his/her own work. In normal procedure, the guest is supposed to leave the room key at the front desk and the key is kept at the mail and key rack. When there is a call for the guest, the telephone operator transfer the call to the room and in case of no reply, the call is transferred to the information section. The person responsible at the information section notes down the message on a message slip (Fig. 4.18). Message slip is made in two copies; the first copy is kept in the mail and key rack and the second copy is slipped under the door. When the guest arrives, the message is handed over along with the key.

Hotel Indian	
Kolkata	
Message Slip	
Name: _____	Room No. _____
Date: _____	Time: _____
During your absence	
Mr./Ms. _____	
Telephone No. _____	
Called up	<input type="checkbox"/>
Came to see you	<input type="checkbox"/>
Wanted to see you	<input type="checkbox"/>
Please call back	<input type="checkbox"/>
Will return	<input type="checkbox"/>
Message: _____	

Received by: _____	

Fig. 4.18 Message slip

Procedure for a Visitor

Any visitor of a resident guest necessarily should come to the front desk to enquire about the guest. The front desk staff enquires and informs the visitor whether the guest is in the room or not. If the guest is not in the room, then the visitor is asked whether he/she would like to leave any message for the guest. If any message is to be taken, it is written on the message slip, and the procedure is same as stated earlier.

Paging

To page means to locate or search, and when applied to the hotel industry, it means to locate a guest in the public area of the hotel. Guests, during their stay in the hotel may require paging service. If the guest is expecting a visitor or a phone call and does not want to wait in his room, then he leaves information about his location at the front desk. When any visitor or phone call comes, the guest is paged and the information is conveyed to the right person. In case the guest does not leave any information, then paging takes longer time and the caller or the visitor has to be kept waiting.

When a guest leaves his/her room, they should fill a location form and leave it at the front desk, which makes paging easier. A location form indicates where the guest would be available at a particular time and if at all he is going out of the hotel, then at what time he would be back. The filled in location form is kept in the mail and key rack and if a duplicate copy is made (as done by some hotels), is sent to the telephone operator.

Paging is done by the following two methods:

1. Page Board System
2. Public Address System

In page board system, if a visitor has come to see the guest the information assistant writes the name and room number of the guest on both side of the page board, which is a small board with some bells attached to it, and deploys a bell boy to carry that board to the specific area which has been specified by the guest. It is important not to write any message on the page board as it may create embarrassment for the guest. While paging through the public address system, the announcement is made for the guest by the front desk staff through the channelled music system.

Indian Hotel
Location Form

Date: _____

If you are leaving your room and expect a phone call or visitor, please fill in this form and hand it over to the concierge

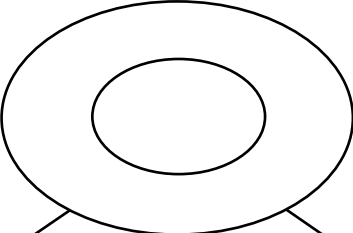
Name _____
Room Number _____

I will be at (please tick)

Lobby	<input type="checkbox"/>	Poolside	<input type="checkbox"/>
Shopping Arcade	<input type="checkbox"/>	Games Room	<input type="checkbox"/>
Restaurant	<input type="checkbox"/>	Fitness Centre	<input type="checkbox"/>
Coffee Shop	<input type="checkbox"/>	Garden	<input type="checkbox"/>
Bar	<input type="checkbox"/>	Night Club	<input type="checkbox"/>
Banquet Hall	<input type="checkbox"/>	_____	<input type="checkbox"/>

Special Instructions _____

Signature



ATTENTION

Name _____	
Room No. _____	Time _____
Date _____	

In your absence we received the following for you

A Packet
A Parcel
Registered Letter
Message

Kindly contact the Front Desk immediately

Signature

Fig. 4.19 Location form

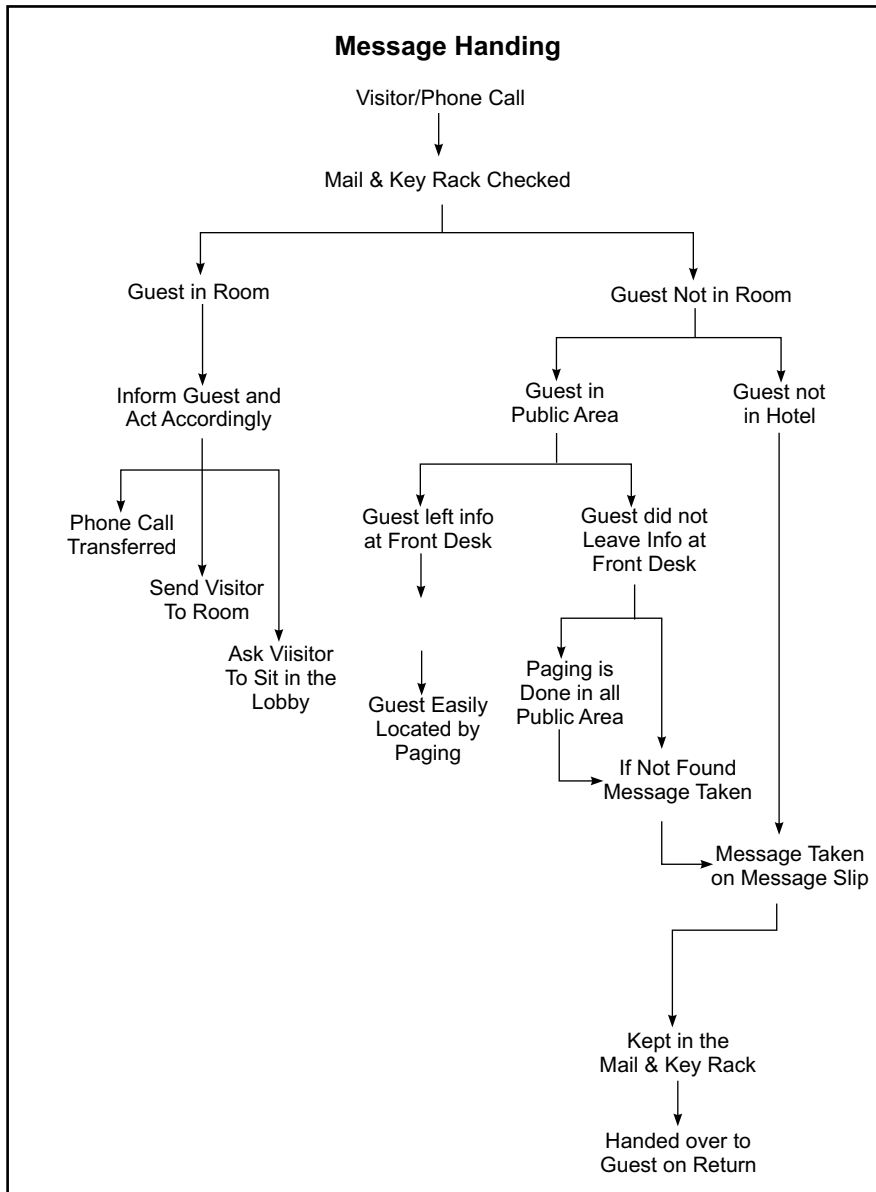


Fig. 4.20 Message handling

Though paging through public address system is easier and less time-consuming than the traditional page board system, still the later is preferred in hotels. This is because, most of the time people do not bother about the announcements made in the public address system and this form of paging through the PA system is a crude form of paging. On the other hand, paging through page board has a traditional and ethnic touch, and it never goes unnoticed by the guest.

When a guest leaves his room without depositing the room key at the front desk, and the front desk is not in a position to page for the guest at that point of time, then a mail advise slip is prepared and hung on the door knob. This is because guest must have gone out and on return will go to his room as he already has key with him.

MANUAL KEY CONTROL PROCEDURE

In hotel, the room keys of the guest rooms are of great importance because the earning of revenue and guest security in respect of occupied rooms depends on proper key control system. Unless a proper control system is laid down in respect of room keys, the available rooms may remain unsold or the sold and occupied rooms may be accessed by unauthorized person causing unwanted incidents to occur in the hotel which will adversely affect on the goodwill.

Steps to Key Control

The first check on room key is done by the use of resident cards, which are given to guests at the time of arrival and is used by the guest to collect keys from the front desk.

The second check is the key control sheet made by the night receptionist through the night receptionist's report that shows vacant, occupied, and double locked (DL), not to be allotted (NTA), etc. types of rooms. As per the check, the vacant rooms should have keys at the front desk, and occupied rooms should not have keys in the mail and key racks. Those rooms, whose keys are in the rack but are occupied; could be a case of sleep-out, hence these rooms are checked. If luggage is found, it means the guest is in. If luggage is not found, then the bill of the room is checked with the cashier. If the bill is settled, then departure is shown in various records as per bills and information is sent to housekeeping department. Vacant room keys which are missing from the mail and key rack could be with housekeeping or the bell desk. It is checked, if not found, an entry is made in the report.

A detail of missing keys list is made. It is also possible that the guest made a self departure and took the key by mistake. Such room numbers are noted down along with the name of the guest last stayed, and the date and time of departure. Their address is retrieved from the GRC and a letter written to them for the missing key. This discrepancy report is sent to the front office manager the next morning for investigation and taking corrective action. If the key is not found, then a requisition is made for duplicate key, which is authorised by general manager, front office manager, security manager and chief engineer.

Computerised Key System

In present days, computer-based electronic key system is used in many hotels instead of the traditional method to access guest rooms. This system operates through a master control console at the front desk which is wired to all guest room locks.

At check-in, a front desk assistant inserts a plastic card, similar to a credit card, into the appropriate slot on the console. The keys have been randomly coded, and this unique code is then transmitted to the guest room door lock. When the next guest checks-in to that room number, a new door lock code is re-programmed to that room. Similarly, when guest inadvertently lose their key, the lock is re-programmed, and that any lost keys or keys belonging to previous guests will not be functioning.

The system also monitors the number of times the guest exits and re-enters the room, including the number of times the room attendant enters the room, when using their pass key. This gives an additional dimension to the security of a guest room. If a person tries to enter using an incorrect key, then the system alerts the security staff.

INDIAN HOTEL					
				Date _____	
				Time _____	
Keys of Occupied Rooms which Remained at reception:					
Room No.	Name	Baggage	Bill Amount	Remarks	
708	Mr. Rohit Dey	In Room	Rs. 86570.00	Sleep Out	
Vacant Room Keys which are Not at Reception					
307, 425, 528					
Keys without Key Tags:					
518					
Details of missing Keys:					
Room No.	Name of Guest who Stayed Last	Check Out		Bell Boy Responsible for Departure	Receptionist on Duty at Departure Time
		Date	Time		
Signature of Receptionist					

Fig. 4.21 Key control sheet

||| HANDLING DEPARTURES

FIT Departure

Procedure at the bell desk

1. The bell captain deploys a bell boy who in turn fills up the departure errand card.
2. On the way to the guest room, the bellboy informs the reception and cashier about the departure taking place.
3. On arrival at the room, the bellboy knocks at the door and announces himself.
4. The guest is greeted by the bellboy and the number of baggage to be taken down is checked with the guest.
5. Luggage is picked up and placed outside the room and then the key is collected.
6. The bellboy takes a quick look around the room to check for any damage or loss for the hotel property.
7. The bellboy checks the mini-bar consumption and inform cashier on telephone.
8. The bellboy checks for any left-behinds in the drawers, cupboard, bathroom, etc. Draws the curtains back and switches off the lights. Then he leaves the room, locking the door behind.
9. Before approaching to the elevator, the bellboy hangs a part portion of errand card in the door knob.
10. At the elevator, the bellboy allows the guest to step in first and then positions himself near the control panel.



Fig. 4.22 Publicity sticker

11. The bellboy enquires politely, whether the guest had a pleasant stay, and would the guest require a taxi to be called.
12. The bellboy escorts the guest to the cash counter and takes the luggage to the bell desk.
13. The publicity stickers are put on the baggage. A publicity sticker is shown in Fig. 4.22.
14. The bellboy checks for any fax/message for the guest at the reception/business centre.
15. The bell boy comes back to the Cash Counter and picks up the Baggage Out Pass (Cashier's Clearance Card). Figure 4.24 shows a baggage out pass.

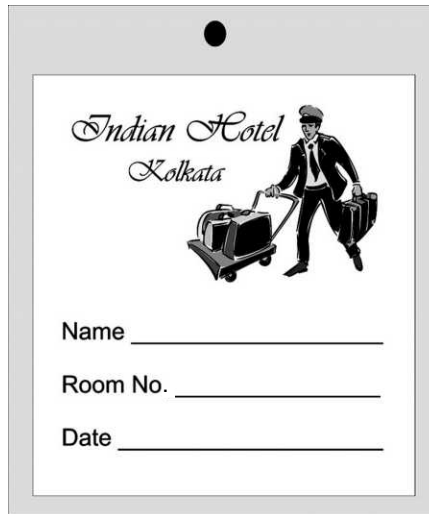


Fig. 4.23 Luggage tag

Indian Hotel	
Baggage Out Pass	
SI No. 45768	Date: _____
Attendant No.: _____ Departure Time: _____	
Room No.: _____	Name: _____
Bill No.: _____	

Signature _____	

Fig.4.24 Baggage out pass

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16. The key is handed over to the reception and an acknowledgement is taken (Key Clearance) on the errand card.
17. The commissionaire is informed to call a taxi/car and after showing the baggage out pass.
18. The bellboy load baggage in the car and count the number of pieces announcing to the guest.
19. The taxi/car number and the departure time are noted down on the errand card.
20. The bellboy bids the guest a warm farewell and thanks him for staying with the hotel.
21. The bellboy returns to the bell desk to complete the errand card and presents the same to the bell captain for signature. The bell captain makes an entry in the lobby attendant control sheet.

Procedure at Reception

1. The expected departure list is checked to assess the room availability position.
2. Housekeeping is informed over telephone so that the concerned room boy/attendant can attend the departure room immediately.
3. After the room key is received, an entry is made in the arrival-departure register.
4. Room rack and information rack are updated.
5. An entry is made in the alphabetical register, if in use.
6. A departure notification slip is made and sent to the following department/section:
 - (a) Housekeeping
 - (b) Room Service
 - (c) Telephone Section

Procedure at Cashier's Desk

As soon as the cashier receives the intimation that departure will take place,

1. The guest bill folio is taken out and checked for any pending posting.
2. Room service and coffee shop are called up for any last minute billing.
3. Bill folio is updated and the billing instruction is checked.
4. All supporting vouchers against bill entries are taken out and arranged date wise.
5. The bill is presented to the guest on arrival at the cashier's desk and the billing instruction is reconfirmed. Guest approval is obtained.
6. If the guest wishes to see the supporting vouchers, then they are presented to him. He is helped in locating the charges on the bill and any query raised is answered by the cashier.
7. After guest's approval of the charges, the bill is finalized by the cashier by obtaining guest signature on the bill.
8. On receipt of the cash, a money receipt is made and a baggage out pass is issued.
9. The money receipt is stapled with the original bill folio and placed in an envelope. The supporting vouchers are neatly placed in another envelope and both of them are handed over to the guest with a smile. The cashier bids farewell to the guest.
10. If the mode of payment is voucher or to the company, then the original bill is kept and subsequently it is posted to the city ledger. At the end of the day, all bills are sent to accounts department and in turn they collect money from the company and/or travel agents.

DEPARTURE													
GRC No.	Name of Guest	Nationality	Room	Pax		Dep. Time	Arr. Date	Room Nights	Bed Nights	Receptionist's Code	Signature	Code	Remarks
				A	C								

Fig. 4.25 Departure side of AD register

Indian Hotel		
Errand Card (Departure)		
Name	Bell Boy No.	
	Room No.	
GRC No.	Date	
	Call Time	
Departure Time	Receptionist	Cashier
Description		

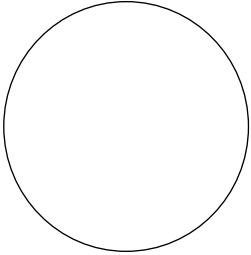
Signature of Bell Boy		Signature of Bell Captain
Date:		Room No.:
Time:		
		
To Be Cleaned		

Fig. 4.26 Errand card (departure)

Indian Hotel Lobby Attendant Control Sheet						
					Date:	
					Shift Time: From:	To:
					Captain:	
Sl. No.	Room No.		Time	Baggage Details	Bell Boy Name / Number	Remarks
	Arr.	Dep.				
Signature of Bell Captain						

Fig. 4.27 Lobby attendant control sheet

Group Departure

Procedure at Bell Desk

1. The bell captain ensures that sufficient staffs are available in the shift.
2. The baggage down time and wake-call time of the group are checked.
3. Five minutes before the baggage down time, the bell captain allocates the floors and rooms to the Bellboys for bringing the luggage down.
4. The bell boys collect the baggage from rooms mentioned on their list. Generally, the group members are advised by the group leader to keep their baggage packed and ready for pick-up outside their room at baggage down time.
5. The baggage from all the rooms and floors are collected quietly and brought down to the lobby, where they are neatly arranged in rows and publicity stickers are pasted on them.
6. The bell captain counts the number of baggage (Baggage Count).
7. After the tour leader settles the bill, the bell captain ensures that all the keys from the group members are retrieved.
8. The keys are handed over to the reception, where the receptionist checks out the room numbers whose keys are received.
9. The bell captain request the group leader to count the baggage and also request to contact those members of the group who have not yet returned their room keys.
10. After all the keys are received, the receptionist gives the key clearance on the errand card.
11. The bell captain then obtains a baggage out pass from the cashier; the baggage is then loaded into the vehicle.

12. He then bids farewell to the group members.
13. Only one errand card is made for group departure; however the number of all those bell boys who were engaged in the departure procedure is mentioned.
14. An entry is made in the lobby attendant control sheet.

Procedure at the Reception

1. The reception issues a group departure notification about half an hour in advance of actual departure time to housekeeping, room service, telephone and coffee shop.
2. On presentation of the departure errand card of the group, the receptionist checks the receipt of the room keys by scoring out the room numbers on the rooming list, the keys of which have been received. The remaining room numbers are written on the baggage out pass/errand card to assist the bell captain in collecting the keys.
3. After the room keys are received, an entry is made in the arrival-departure register.
4. Room rack and information rack are updated.
5. Entry is made in the alphabetical register, if in use.

Procedure at the Cashier's Desk

As soon as cashier receive the intimation that group departure will take place.

1. The cashier takes out the group bill and the bill for extras. He calls up room service and the coffee shop for the last minute billing.
2. Cashier checks the complete billing and updates it.
3. The extra bills are taken out and separated room-wise. A small summary is made room-wise to facilitate cash collection.
4. When the tour leader comes to the desk, the cashier presents the main bill for approval and also handovers the bill for extras.
5. The tour leader assists the cashier in collecting all extra charges from the tour members.
6. After ratifying the bill, the tour leader is requested to sign on it. The travel agent's voucher is stapled with the main bill noting down the exchange voucher number, travel agent's name, and travel agent's reference number clearly and legibly.
7. The cashier then issues a baggage out pass to the bell captain/group leader (only for group exclusively).
8. Original bill is kept and posted to city ledger. At the end of the day, all bills are sent to accounts department and in turn, they collect money from travel agents.

Settlement at Check-out

All in-house guests have to settle their bills before departure from the hotel. Check-out should be smooth and fast.

Purpose

The purpose of this policy is to accept and process various types of settlement of the guest account at check-out or advance settlement.

Front desk cash is the last point of the hotel where the last minute rectification or addition on the bill can be made like inclusion of mini bar charges, transportation, etc. All the charges incurred by the guest from various point of sale are recorded on to his room account.

Procedure

1. Greet the guest according to the time of the day. Check the room number and guest's name to avoid last minute confusion. Inform room service for them to check the mini-bar.
2. Before presenting the bill to the guest, the FOA should check billing instructions carefully, mode of payment, any locker taken by the guest and any last minute charges incurred like mini bar or transportation etc.
3. In case the guest is settling the bill by the credit card, process the charges on the EDC machine. Verify signature carefully.
4. If the guest is settling by cash/foreign exchange, then count the currency twice and return balance amount, if any. Issue money receipt and show settlement in the record.
5. If the payment is through foreign currency, then print out the foreign currency exchange certificate, show the amount settlement on the certificate and make a receipt for the bill amount.
6. In case of bill to company, take the guest signature and settle in company account.
7. If the payment is by voucher, collect the required voucher, verify and settle in travel agent account.
8. In case the guest is departing beyond the check-out time, then charge a half day or a full day as informed to the guest.

Check for the room number, guest name, billing instructions and his mode of payment before presenting the bill to ensure a smooth check out.

Check-Out Options

Express Check-Out

In busy hotels with high volume of business, guests normally experience long lines at the front desk at the prime check-out period. To ease the front desk, some hotels initiate check-out activities before the guest is actually ready to leave. Bill folios are printed and quietly slipped under guest room door of expected check-out rooms before 0600 hours. The front office also attach an express check-out form with each pre-departure folio. Express check-out forms include a note requesting guests to notify the front desk if departure plans change. This procedure reminds and encourages guests to notify the front desk about any problems in departure before the check-out time. For an efficient and effective express check-out procedure, the hotel must collect accurate billing instruction during registration. The front office must inform room status information to the housekeeping department as soon as an express check-out form is received, as that will facilitate housekeeping to plan their work and get the room ready for the next guest on time.

Self Check-Out

In some hotels, guests can check themselves out of the hotel by accessing self check-out terminals in the lobby area or by using an in-room system. Self check-out terminals or in-room systems are interfaced with the front office computer and are meant to reduce the departure time and rush at the front desk. Some of the terminals look similar to bank teller machines, while others have video and audio capabilities.

At the terminals, a guest can access his bill folio and review the content. There the guest is required to feed his credit card number using the key-pad or by the magnetic card reader. The check-out is complete when the guest's balance is transferred to a credit card account.

Some hotels use the in-room television set and the telephone for this purpose. Both the devices are attached to the front office computer system. The guest can confirm a previously approved method of settlement. The front office computer directs the self check-out process. Generally, guests can pick up a printed bill folio copy at the front desk on their way out.

IDENTIFICATION OF VARIOUS VOUCHERS

The front office cashier maintains the bill folio for resident guests. Bill folio is maintained for credit transactions only of resident guest. The entries of bill folio are not maintained against individual bills; rather they are maintained against particular heads of transaction, e.g. food, drinks, laundry, etc. Services are offered by various departments and outlets to the guests such as restaurant, bar, coffee shop, room service, laundry, games, health club, etc. On availing the services, the guests are presented with the bill and they have two options, for the settlement of the bills. Either the guest can pay in cash and collect the bill, or they can sign on the bills and mention the room number as a token of acceptance of the services. In the later case, the bills are then sent to the front office cashier to be posted onto the bill folio. These bills when reaches the front office cash, are known as vouchers. In the night, the cashier totals up the vouchers of each room under different heads, e.g. food, drinks, laundry, etc. and posted onto the bill folio. The different vouchers which are received by the front office cashier are as follows:

Restaurant and Bar Check

Restaurant and bar check will have the details of charges of food or drinks ordered by the guest (Fig. 4.28). When the check is being presented, the guest signs for confirmation that he had agreed to pay. The restaurant or bar check will have details such as name of guest, room number, date, name of waiter, table number, number of persons and the most important of all, the signature of the guest. The guest does not sign if he pays in cash.

Indian Hotel				
Restaurant/Bar Check				
23499			Date	
Name		Room No.		
Time	Table No.	Pax	Waiter No.	KOT No.
Qty.	Particulars		Rate	Amount
			Sales Tax	
			Service Charge	
			Total	
<hr/> Signature of Guest (Please do not sign if you have paid cash)		<hr/> Cashier		

Fig. 4.28 Restaurant and bar check

Paid-Out Voucher

Whenever the hotel makes a small payment on behalf of the guest, e.g. taxi fare and flower, the cashier prepares a paid-out voucher (Fig. 4.29).

23874		Indian Hotel	
		Paid Out Voucher	
Name of Guest _____		Date _____	
Room No. _____			
Sl. No.	Particulars	Remarks	
Rupees in words			
_____		_____	
Prepared by	Authorized by	Audited by	Guest's signature

Fig. 4.29 Paid-out voucher

Miscellaneous Charge Voucher

Guests' miscellaneous charges may include the following:

- Shoe Shine
- Health Club
- Barber Shop

23874		Indian Hotel	
		Miscellaneous Charge Voucher	
Name of Guest _____		Date _____	
Room No. _____			
	Particulars	Amount	
Rupees in words			
_____		_____	
Signature of guest		Signature	

Fig. 4.30 Miscellaneous charge voucher

- Beauty Parlour
- Pastry Shop
- Postal Charges
- Antique Shop

Figure 4.30 shows a miscellaneous charge voucher.

Allowance Voucher

When a guest is given an allowance for accommodation, telephone charges, and overcharges or for unsatisfactory services, an allowance voucher is prepared by the staff of concerned department, authorized by the departmental head. The voucher is sent to the front office cashier for posting to the guest account. Figure 4.31 shows allowance voucher.

23874		
Indian Hotel Allowance Voucher		
Name of Guest _____		
Room No. _____		Date _____
Particulars	Amount	
Rupees in words		
_____ Prepared by	_____ Authorized by	_____ Signature of guest

Fig. 4.31 Allowance voucher

SAFE DEPOSIT LOCKER

In a hotel, the management advises the guest to keep their valuables in the lockers for safekeeping. All hotels have safety lockers of various sizes as per the need. Safety locker is a facility provided by the hotels wherein the guest can keep the valuables and important documents safely. The safety locker is located in a safe place and the locker room key is handled by the front office cashier. Some lockers have only one key which is handed over to the guest. Some hotels have double custody lockers, where one key is handed over to the guest and the other key is retained by the cashier. These keys are not duplicate. The lockers may be locked by the guests' key, but to open the lockers both keys are essential. Depending on the house policy, hotels may or may not charge for the lockers. Nowadays, in many hotels safety lockers are being provided in guest rooms with the facility of combination lock. Guests can have their own combination.

Allocating Lockers to the Guest

The locker keys are arranged in a key board according to the locker numbers, looking at which the cashier can identify the vacant lockers.

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1. The cashier looks for an empty locker.
2. The safety locker registration card is handed over to the guest to fill in.
3. The cashier writes down the locker number on the card.
4. The guest is asked to sign on the card.
5. The locker key is handed over to the guest and the card is kept in the appropriate rack as per number.

Surrender of Safety Locker Key

(At the guest's demand or at departure)

1. The cashier asks for the key of the locker from the guest.
2. The guest is requested to open the locker and take out the valuables.
3. The guest signs an acknowledgement of receipt of the articles and returns the locker and key to cashier.

Indian Hotel		Locker No. _____
Kolkata		Room No. _____
Name _____		Permanent Address: _____
_____		_____
_____		_____
Authorized Signatures		
_____		_____
_____		_____
Date _____	Key Delivered by _____	
Note: I/We shall not hold the management of the hotel liable for any loss, theft or of shortage in the contents of the locker which is being used by me/us exclusively.		

Front Side

Record of Locker Opening & Closing			
Date	Time	Signature	FO Cashier

Back Side

Fig. 4.32 Safe deposit locker card

- Certain guests may request to retain the locker while they proceed on business tour and come back later. In such cases, the front office manager authorizes and makes a note on the locker key card and the guest is made to sign on the reverse side of the card. Then the guest is allowed to lock the locker.

A charge as per the policy of the hotel is imposed on losing the safe deposit locker key. The management takes necessary care of the valuables kept in the safe deposit, yet the management will not be responsible for any loss or theft or shortage in the contents of the safe deposit box which is being used by the guest exclusively.

||| PAYMENTS

Cash Payment

In-house guest can settle their hotel bill in cash, traveller's cheque or foreign exchange. If the amount exceeds 25 thousand rupees, then the guest has to give the PAN (permanent account number).

Reason

The purpose is to provide guest with the convenience of settling bills in foreign exchange/Indian rupees.

Procedure

- In case of payment by foreign currency, the FOA has to print-out an encashment certificate and adjust the whole amount towards his room bill. While accepting the cash, the FOA should count the currency correctly and return the exact balance.
- In case of a foreigner/NRI wanting to settle the bill with Indian currency, the encashment certificate for the currency must be updated and copy of the same taken.
- While accepting a demand draft and company check (should be authorized by the credit manager or duty manager), the FOA should check for date, hotel name, amount in words, as well as in figures and signature of company personnel or bank's authorized signatory.

It is important to remember the following points:

- Count the cash properly
- Check the final bill amount
- Type of foreign currency
- Denomination of the currency
- Correct rate of conversion
- Return the correct balance to guest

While accepting cash payment/traveller cheque/demand draft or company cheque, the final amount should be checked, the cash to be counted twice and correct balance returned to the guest. In case of company cheque, it is only to be accepted if authorized by the hotel's credit's manager.

Credit Card Payment

The hotel accepts all the major credit cards issued by the various national as well as international banks.

Reason

The purpose is to provide a smooth and convenient service for the guest through credit card.

Procedure

1. The cashier must check the type of credit card; verify its acceptance in terms of credit limit known as floor limit, name of the cardholder, validity of credit card and signature on reverse of the credit card. After that, process the charges in EDC (electronic data capture machine). Ensure using the correct charge slip and verifying the signature of guest from the credit card. Then, the cardholder copy is to be given to the guest along with the hotel bill and other copy of the charge slip are to be attached with the folio.
2. In case if there is any problem in verification of card (e.g., Do not honour, expired card) politely request for a new card from the guest.
3. At the time of check-out, verify if the guest would be paying by the same card, which he gave at the time of check-in.
4. In case of authorization is taken from the credit card company, then card is to be processed on the off-line mode with approval code and bill amount fed in.
5. Verify signature of the guest on the EDC slip with the signature on the back of the card.

Foreign Exchange Payment

Foreign/NRI guests staying in the hotel are allowed to change foreign currencies and travellers cheque. Foreign currencies are changed at the front desk by the cashier whose specimen signature has already been sent to the RBI (Reserve Bank of India). For each transaction of money change, the cashier has to issue an official encashment certificate, which is valid for three months from the date of issue.

Reason

The purpose is to provide foreign currency/traveller's cheque encashment facility within the hotel premises for the in-house guests.

Procedure

1. Check the name of currency and its form, i.e. cash or TC.
2. Check the denomination of currency.
3. Currency exchanged should not be torn or soiled.
4. Check for the rate given against that currency.
5. Count twice while accepting foreign currency.
6. Print encashment certificate; get it duly signed by the guest. Give one copy to the guest along with the money. Sign and attach the second copy with currency.
7. If travelers cheque of foreign currency is being converted, then request the guest for counter sign on the TC and match it with guest's signature on the TC, which are done at the bank and his passport.
8. Enter all foreign currency/TC certificate in RLM (restricted legal money) register and tally with the total of all rupee equivalents.

Foreign currency/traveller check to be exchanged for only house guests as per exchange rate applicable against the given currency with certificate of conversion duly signed by the guest.

Travel Agent Payment

The hotel gives credit facility to IATA approved travel agents, who are on the credit list of the hotel. The settlement in this case is by the voucher, which is exchangeable for the facilities and the services

mentioned on the same. The hotel as per the agreement with the travel agent will then claim the payment from them accordingly.

The purpose of this policy is to facilitate the payment of the guest booked through travel agents, which is mainly done on voucher.

Procedure

1. The travel agent voucher is checked for the valid dates and meal plan.
2. The voucher is also checked for the credit status in the hotel with the credit department.
3. The voucher is also verified whether the voucher is a confirmation of the reservation or has a monetary value.
4. In case the travel agent is not on the hotel credit list, then the travel agent has to deposit an advance before the arrival of the guest/group. In case the payment is in the form of check, then the same has to be approved by the credit manager.
5. Only after ascertaining the above facts, the front desk assistant will accept the voucher of the travel agent for the services mentioned.

The voucher is checked against date, number of rooms, number of pax, and the meal plan mentioned on it. In this mode of settlement, the extra charges are settled directly by the guest.

Bill to Company

The credit is given to a selected group of companies or guests, who have established a record of good financial credentials and a long association with the hotel. In this case, the guest can sign the bill which is later sent to the company for settlement. The company needs to send a letter, to the reservations section asking for the credit facilities for the guest.

Reason

The purpose of this is to provide convenient settlement of bills for the guest's of those companies whose credit is approved by the credit department.

Procedure

1. If a guest on check-in informs that the company will settle the bill for the stay, a note should be made of the same. Also, the FOA must check if the said company is on the units' credit list from the company profile.
2. In case the company is not on the credit list, the DM should be informed to come and speak with the guest.
3. In case the company is on the units' credit list, then the FOA must check on the correspondence of the booking in the reservation file and check for any instructions in the correspondence.
4. In case there is no information regarding the billing instructions from the company, then the FOA must request the reservations to follow up on the full bill letter from the company. The guest must also be requested, if he can get the company to send written instructions regarding his bill settlement at the hotel.
5. Above follow-up needs to be kept on the reception handover, to ensure regular follow-up is done for the billing instructions with the reservations and the company.
6. A follow-up must be maintained and in case of any changes after interacting with the company, the guest must be informed immediately regarding the same i.e., in case the company is not going to settle the full bill or a partial bill.

For settlement of hotel bill by the company, the company letter should be received. Only companies on the hotel credit list are allowed to settle bills of their guest at the hotel by this mode. Exception to the above rule is authorized only by the GM/FOM/sales manager of the unit.

Bill on Hold

As the name suggests, bill on hold indicates the bill not yet settled, the reason being numerous factors such as a skipper, bill to company letter not received, guest disputes for hotel expenses, etc. In such cases, the bill has to be transferred to bill in hold mode with the approval of the GM/ EAM/ FOM or the DM.

Purpose

The purpose of this policy is keep bills on hold for that guest who has dispute in charges or billing instructions.

Procedure

1. When the guest leaves the hotel without settling the bill because of the above mentioned factors, then check out are shown without the settlement.
2. In these cases, the bill is transferred to a dummy room and held for investigation for payment.

City Ledger

City ledger records accounts that do not belong to resident guests of a hotel. At the check-out time, if the resident guest's account is not brought to a net outstanding of zero, then whatever amount is outstanding balance, the same is transferred from the guest ledger to the city ledger (Guests settling through credit card and guests whose bills are to be settled by companies, travel agents, airlines etc.). In other words, city ledger is a debtor's ledger. Apart from these, city ledger will also record bad cheques account (bounced cheques of guests), skippers' account, disputed bills account, and retention charges account.

Allowances

It is the policy of the hotel that allowance entries under this classification are made to record rebates to the guests on room rates, food and beverage charges, telephones as per the guest entitlement due to contracts or agreements, guest dissatisfaction as well as to rectify incorrect entries.

Purpose

The purpose of this policy is to produce a correct bill folio for guests in order to ensure a smooth check out as well as to maintain record that are in compliance of the rules and regulations.

Procedure

1. Once the guest approaches the counter and advises of his intentions to check-out, check the billing instructions.
2. Entries for the contractual allowances as mentioned in the remarks column must be made correctly before presenting the bill to the guest.
3. The FOA should also do a cursory look at the bills to find any glaring mistakes in the bill and take action immediately.
4. In case of any dispute amounts to the authorized limit, the FOA is authorized to take a decision and allowance the amount depending upon the guest profile, the nature and genuineness of the complaint. This, however, has to be ratified by the DM at a later stage on the allowance voucher.
5. For amounts above the prescribed limit, the DM must be called and he/she must take a decision based on good judgment, and advise the FOA to suitably pass an allowance, if required.
6. He/she then fills in the allowance voucher legibly and neatly, and provides detailed explanation of the reason for the allowance. It is very important that the explanation is accurate and detailed, in order to avoid any doubts at a later stage with regard to internal or external audit.

7. Obtain signature of the DM, who is the person accountable, and thus must make sure that the details and the explanation is in order.
8. Approved support document for the rebate/allowances are to be attached with folio, along with the first copy of the allowance voucher.

Standard

- Prior permission and authorization must be obtained from the DM for the allowances to be deducted except for the contractual ones.
- All allowances must have a corresponding allowance voucher and the voucher number must be mentioned in the appropriate column in the system.
- In case of FHRAI card discount, please refer to policy on FHRAI cards.

Foreign Exchange

Currency

The money in general use in a country and any other commodity (cheque, traveller's cheque, draft, etc.) used as a medium of exchange.

Foreign Currency (money or medium of exchange of a foreign country)

There are no restrictions on the amount of foreign currency in any form a tourist may bring to India, provided he or she makes a declaration in the currency declaration form given to him on arrival. This will enable the tourist not only to exchange the currency brought into India but also to take the unspent currency out of India on departure. Cash, bank notes and travellers cheques up to US \$1000 or equivalent need not be declared at the time of entry.

Exchange of Currency

Any money in the form of traveller's cheques, drafts, bills, cheques, etc. which tourists wish to convert into Indian currency should be exchanged only through authorized money changers and banks who will issue an encashment certificate. This certificate is required at the time of the reconversion of any unspent money into foreign currency. Tourists are warned that changing money through unauthorized persons is not only illegal but also involves the risk of the receiving counterfeit money. Exchanging foreign money other than through the banks or authorized money changers is an offence under FEMA. Tourists are advised to get an endorsement on the currency declaration form or to get a certificate from authorized dealers while encashing their travellers cheques. This would also facilitate the re-converting the residual Indian currency at the time of departure. No Indian currency can be brought in or taken out of the country. This restriction does not apply to rupee travellers cheques. Banks abroad do keep Rupee balances with their agents in India and a recognized procedure for them to draw upon these balances is to issue rupees travellers cheques to intending tourists. Person holding currencies or travellers cheques which are not included in the currency declaration form furnished on arrival will not be permitted to take such currency or cheques out of India without the written permission from the Reserve Bank of India.

Import and Export of Currency

Indian currency notes and coins are not allowed to be imported into the country or exported out of the country.

There is no limit of foreign currency notes, coins, drafts, traveller's cheques, etc. that can be imported to the country, but their export should not exceed the amount brought in and declared to customs on arrival.

There is also no limit of currency brought in the form of travellers cheques from any foreign land, but for export the rule is same as that of foreign currency notes or drafts.

Foreign Exchange Management Act

The main provisions of FEMA related to hotels are:

- All payments due from foreigners as well as Indians resident abroad should be received in foreign exchange.
- Foreign exchange should be in the form of the Sterling Pound, US dollars or travellers cheques. These currencies or any other convertible currencies may be accepted if the hotelier is confident of being able to sell such currency to any bank in India, authorized to deal in foreign exchange.
- A placard should be displayed prominently at the counter by every hotel informing the foreigners that they should pay their bills in foreign exchange.
- The bills presented to the foreigners and the receipts issued to them should bear distinct serial numbers and should preferably be of a different colour so that they can be distinguished from other stationery. The bills should state clearly that the payment has to be made in foreign exchange and the receipts should indicate that it was received in foreign exchange.
- To enable all hotels, irrespective of size, tariff or categorization including hotels not approved by the department of tourism, to accept foreign exchange, the Reserve Bank of India has issued licenses. Under the Act, the Reserve Bank of India can inspect the books of accounts of the hoteliers.
- Bookings received on behalf of foreigners through travel agents, airlines, etc. should clearly indicate that they have received the payment in foreign exchange.
- Foreigners should not be inconvenienced to fill in any additional forms by the hotels.
- In case where the foreigner insists on payment in Indian rupee, the hotel management may accept such payment during the initial period and inform the Department of Tourism, New Delhi, immediately.
- Notwithstanding anything contained above, the money in Indian rupees may be accepted from and on behalf of foreigners referred to in 'Annexure A'.

Exempted Categories

Annexure A (persons exempted from paying in foreign exchange)

1. All Indian nationals resident in India.
2. Accredited diplomats, foreign employees and foreign official guests of diplomatic missions in India, including offices of the United Nations and other international organisations.
3. Foreign nationals employed in India.
4. Nationals of Bulgaria, North Korea, Hungary, Poland, Romania, Russia and Yugoslavia.
5. Employees of IATA member airlines including their flying crew, the transit passengers and inter-line passengers who have to be accommodated at the expense of such airlines under IATA regulations.
6. Employees of shipping companies who are specifically authorized to make payments in Indian rupees, by the Department of Tourism or by the appropriate ministry of the Government of India.
7. Foreign nationals invited to India and staying as guests of the government of India or of the state government or any department of the Central or state governments, or any other authority

- or company owned by, controlled or managed by the government or any other public Limited company, engaged in manufacture of, or commerce in any goods exportable from the country.
8. Nationals of Bhutan, Nepal and Bangladesh.
 9. Any person on whose behalf special permission for hosting has been obtained by any Indian company or organisation from the appropriate government department or ministry.

<p>F.X.A</p> <p>Performa to be filled in by the guest of non-exempt categories who insist on payment of their hotel bills in Indian currency.</p> <p>Name and address of hotel: _____ _____ _____</p> <p>Name of guest: _____ _____</p> <p>Nationality: _____</p> <p>Passport number: _____ Date and Place of Issue: _____</p> <p>Occupation: _____</p> <p>Place and date of expected departure from India: _____</p> <p>Hotel bill number: _____ Amount: _____</p> <p>Period of stay in Hotel: _____</p> <p>The reason for payment in Indian currency (if foreign currency has been encashed elsewhere, the full particulars of the amount encashed, receipts and the name of establishment) : _____ _____</p> <p>Permanent home address: _____ _____</p> <p>Date: _____ Signature of guest : _____</p> <p>Remarks of the hotel: _____ _____ _____</p> <p>To be submitted to the government of India, Tourism Department, Travel Trade Division, Transport Bhawan, Parliament Street, New Delhi -1 in duplicate.</p>
--

Fig. 4.33 Foreign exchange—Annexure A

F.X.B.

Certificate of exemption, for payment of hotel bills in Indian currency

Name of the guest: _____

Nationality: _____

Designation and Office address: _____

Passport number _____ Date and place of issue _____

Name of hotel, place and period of stay

Certified that the party named is the official guest of: _____

Which is the department of the Central / State / Public Sector Undertaking/ Public Limited Company* engaged in export of or commerce in the exportable goods and which will pay the hotel bills on behalf of the above mentioned guest in Indian currency in terms of the serial number 7 of exempted categories listed in Annexure 'A'.

* Strike out whichever is not applicable.

Date _____

Signature and seal of
Host organization

Note: If the host is not covered by the serial number 7 or is a Private Limited Proprietary Company, Concern or an individual in his private capacity, please obtain an endorsement from the appropriate government department permitting their hospitality. If more than one hotel is involved copies of this may be sent to each of the hotels concerned when booking accommodation.

Fig. 4.34 Foreign exchange—Annexure B

F.X.C.

Total amount earned from foreign tourists during the month (a+b) + (c+d) Rs. _____ of the amount, please indicate the breakdown as under:

a. The amount received from tourists in foreign currency and deposited in a bank :
Rs. _____

b. Foreign exchange earned from tourists to bookings, travel agents etc:
Rs. _____
Sub-total (a+b) Rs. _____

c. Amount received in rupees from exempted categories of the guests with reference to vide Annexure 'A' of the circular of this department reference number 6-THI (6) 72. dated 1st November 1972 (as amended from time to time) Rs. _____

d. Amount received from non-exempted categories of guests who insisted on paying in Indian currency. Rs. _____
Sub-total (c+d) Rs. _____

Total number of bed nights sold during the month.

Percentage of foreigners who paid their bills in foreign exchange.

Fig. 4.35 Foreign exchange—Annexure C

Indian Hotel			
(Valid for three months from the date of purchase of foreign currency) RBI License No.: CA/MP/59-94			
Encashment Certificate			
Serial No. 54673		Date _____	
We hereby certify that we have purchased today foreign currency from _____ holder of passport no. _____ Bill No. _____			
Nationality _____ and paid rupee equivalent as per details given below:			
Details of Foreign Currency Notes/Coins/Travellers Cheques Purchased			
Currency Purchased (indicating clearly notes/ coins and travellers cheques separately)	Amount	Rupee Equivalent	Stamp and Signature of Authorized Official/Money Changer
(1)	(2)	(3)	(4)
Notes / Coins			
Travellers Cheques	Rs. _____	_____	
<p>Note : This certificate should be preserved by the holder to facilitate reconversion of the rupee balance, if any, into foreign currency at the time of departure from India.</p> <p>Production of passport need be insisted upon only while encashing travellers cheques tendered by non-residents.</p>			
Guest Signature Dated: _____		Stamp & Signature	

Fig. 4.36 Encashment certificate

III FRONT OFFICE ACCOUNTING

Front office accounting or cashiering is one of the most important functions of the front office department. At the pre-arrival stage of the guest, the accounting system collects information on advance payment and billing instructions of future guests. On check-in, it documents the room rates and taxes applicable. During guests' stay, it tracks various purchases made by the guests at various outlets. At the time of check-out, it ensures payments for various services availed by the guests. The main functions of the front office cashier are as follows:

- a. Creates and maintains records of guest and non-guest accounts.
- b. Ensures control over various guest and non-guest accounts and cash and non-cash transactions.
- c. Records settlement for all goods and services provided.

Guest Account

It is a record of financial transactions which occur between a guest and the hotel. It is created at the time of guest registration or when a guest guarantees a reservation. During the guests' stay in the hotel, the front office records all transactions affecting the balance of a guest account.

Non-Guest Account

A hotel may extend in-house charge privileges to local business or agencies for promotion or to groups sponsoring meetings at the hotel. The front office creates non-guest accounts to track all these transactions. They are also called house accounts or city accounts. They are also created when a guest fails to settle the account at the time of departure.

Folios

The front office transactions are recorded on the account statements which are called folios. A folio is a statement of all transactions (debit or credit) of a single accounting head, which when created starts at zero and at the time of guest departure, the balance should be returned to zero through various methods of payments. The recording of transactions onto the folio is called posting. There are four different types of folios:

- a. **Guest Folio:** These are accounts of individual person of guest rooms and are also called Bill Folio.
- b. **Master Folio:** These are accounts of more than one person or guestrooms and are usually maintained for groups.
- c. **Non-Guest Folio:** They are also called semi-permanent folio and are the account of non-guest business or agencies with hotel charge purchase privileges.
- d. **Employee Folio:** They are the accounts of various employees with charge purchase privilege, and not always handled by the front office.

Additional folios are also at times created by the front office on special request of guests. Company-sponsored guests at times request for a split folio, one to record expenses to be paid by the company and the other to be paid by the guest. In that case, a folio is opened for the posting of room charges and taxes and all such charges to be borne by the sponsoring company, called the *Room Folio* or *A-Folio*. Another folio is opened for other charges like food, beverage, telephone, laundry, etc. to be paid by the guest, called *Incidental Folio* or *B-Folio*.

Vouchers

A voucher is a detail of transaction that has to be posted on to the folio. They are created at the source of transactions, e.g. at the restaurant, gift shop, laundry, fitness centre, etc. Various bills that are created at different point of sale are called vouchers at the front office. Some vouchers which are used in the front office accounting are cash vouchers, charge vouchers, transfer vouchers, allowance vouchers, correction vouchers and paid out vouchers.

Ledgers

A ledger is a summary grouping of accounts. The front office ledger is a collection of front office account folios. These are part of accounts receivable ledger. The accounts receivable ledger is subdivided into guest ledger (for guest receivable) and city ledger (for non-guest receivable).

Guest Ledger: It refers to the set of guest accounts of the registered hotel guests who have made advance payment. Guest's financial transactions are recorded onto guest ledger accounts to assist in tracking guest account balance. The guest ledger is also called Transient Ledger, Front Office Ledger or Room Ledger.

City Ledger: It is also called Non-Guest Ledger and is a collection of non-guest accounts. If a guest account is not settled at the time of check-out, the guest's folio balance is transferred from guest ledger to city ledger for follow-up and collection at a later stage. At the time of this accounts transfer, the responsibility for collection is transferred to the accounting division. It contains credit card payment account, direct billing account and accounts of past guests due for collection.

Charge Privileges

At the time of check-in, a guest is required to present a direct billing authorization or an acceptable credit card. In computerized system, credit is established at the time of reservation when an advance is paid by the guest to confirm the room booking. After obtaining the card number and expiry date of credit card, information is sent to the credit card company with a request for an amount guarantee. Then the guest is authorized to make credit purchases. The purchases made by guests are communicated to the front office from the point of sale for proper account posting. Guests who pay cash for accommodation at the time of registration or are being asked to do so (advance payment) are generally not extended charge purchase privilege. They are called Paid-in-Advance or PIA guests. The PIA guests are given a no-post status. No-Post Status accounts are those accounts to which credits are not accepted. For a no-post status guest, the point of sale or revenue centre cashier asks the guest to settle the bills directly in cash.

Cash Control

The term cash includes coins, currency notes, travellers cheques, bank cheques, foreign currency and foreign travellers cheques. In small hotels, only one person handles the cash. He alone receives the cash and makes the payment. In large hotels, the cash is received by various departmental cashiers. Once in a day, all the cash received by the departments are collected at one point which is known as the Cash Office. It is headed by chief cashier or general cashier. The operations of cash department are to deposit the daily collection into the bank, withdraw cash from bank and make petty cash payments, to issue cheques to all suppliers and creditors and to pay salaries and wages in both cash and cheques.

From the control point of view the cash can be divided into two groups – Incoming Cash and Outgoing Cash.

Incoming Cash

The money received in any form, either by the chief cashier or the departmental cashiers. The following are the sources of incoming cash:

- Receipt from resident guests (guest ledger) and old debtors (city ledger)
- Receipt from the sale of food, beverage and various services
- Advance from prospective guests
- Rentals from concessionaires
- Sundry receipts

The cash is received by various departmental cashiers and the chief cashier. Cash is always received on issue of money receipt. The money receipt books are issued to the cashier by the controlling officer and it is ensured that each money receipt, which is serially numbered and has duplicate copies, is accounted for. The departmental cashiers are supposed to record each receipt in the departmental cash book/sheet and deposit the day's collection with the chief cashier every day. The general cashier maintains the main cash book and deposit in the bank the total collection on daily basis. He is not authorized to spend any amount from the collection. Payments are always made from the cash withdrawn separately from the bank.

The transactions and operations in respect of the incoming cash are continuously monitored and checked by a controlling officer of the accounts department or internal audit. The checklist for incoming cash is as follows:

- a. Check whether receipt books in use are issued from a central point and that no money receipt is missing.
- b. In case of cancelled receipt, the original copy is affixed to the duplicate copy.
- c. Check the entry of each money receipt in the cash book; where sales summary sheets are maintained, check the entry of each cash check.
- d. Check the total of cash books and sales summary sheets.
- e. Check occasionally the floating cash/imprest of cashier without notice.
- f. Verify the cheques received, whether they are complete in all respect and received from the parties who are on the cheques-list.
- g. Check each foreign exchange voucher; whether the rates for money changing have been correctly applied and the calculations are correct.
- h. Verify with the bank pay in slips; whether the total money collected are deposited are credited to the bank account.

Outgoing Cash

It means the payment of cash, cheques and drafts. The suppliers and creditors are paid through cheques. Small payments are made out of petty cash imprest. Salaries are paid in cash, while senior staff members' salaries are paid by cheques. Petty cash imprest is recovered by way of withdrawal from the bank. There are two cash books which are maintained – Petty Cash Book and Main Cash Book. All payments are daily recorded in the relevant cash book. The check-list for control of outgoing cash is as follows:

- a. Check whether each payment is supported by a voucher duly approved by the appropriate authority.
- b. Verify whether every payment is supported by a separate receipt or the payment voucher is signed by the payee for having received the payment.
- c. Check the entries in the cash book and the totals.
- d. Check the physical balance in the petty cash imprest.

- e. Prepare the bank reconciliation statement every month to ensure that the cheques issued are correctly debited by the bank.

Credit Control

There are two types of credit facilities provided in hotels. The resident guests are ordinarily allowed credit as long as they stay. These guests pay the bills only at the time of departure. There is yet another type of credit facility under which the guests may not pay the bills even at the time of departure. Such bills are subsequently paid by the travel agents, airlines and/or any other establishment who authorize or sponsor the stay of such guest. The credit control measures in dealing with guests who are supposed to make direct payment at the time of departure are as follows:

- a. In case the guest arrives without prior reservation and has scanty baggage or no baggage at all, he/she should be asked to make an advance payment.
- b. Every hotel has credit limit for guests (known as the House Limit) with instructions of direct payment. If the guests bill exceeds the credit limit or if the guests account shows unusual accumulation of credit, the guest should be asked to pay an advance/deposit till the final payment of bill on departure.
- c. Every voucher or check raised by various sales outlets for services rendered to the guest must be signed by the concerned guest as a token of having received service on credit.
- d. Cash advance or paid outs should be extremely restricted.
- e. Personal cheques should never be accepted without the proper authorisation from GM/RM/credit manager.

The control measure in respect of extending credit to travel agents, airlines and various other concerns that authorize the stay of their clients are as follows:

- a. There should be a comprehensive credit list. Every organisation who wants to be on the credit list of the hotel must pass through the necessary scrutiny as to their financial standing, business prospect with the hotel, etc. The IATA approved travel agents should only be allowed credit. In case of airlines, members of world bodies in the airlines should be allowed credit.
- b. Whenever credit is allowed to the guest or clients of parties on the credit list, there should be proper authority letter, travel agent's voucher or airlines voucher authorizing the credit and the bill should be for those services which are specifically authorized. Extras should be collected from the guest at the time of departure.
- c. Credits allowed to various parties should be properly followed up for timely recovery and their credit worthiness should be periodically assessed.

Credit Monitoring

The front office monitors guest and non-guest accounts to ensure that they are within the permissible credit limit, by the credit card companies for credit cards and by the management of the hotel for the charge privileges extended to the guest. Though floor limits are set by the credit card companies, the front office still need to take approval on the credit cards from the credit card company, if floor limit exceeds. All accounts with other approved credit arrangements are subject to limitations established by the front office. These internal credit restrictions are called house limits. When an accounts approaches credit limit, it is called a high risk or high balance account. These are notified by the night auditor and further credit is not accepted to these accounts unless the situation is resolved. In case of the accounts to be settled by credit cards, if the account approaches the floor limit or crosses it, then the front office may

ask the credit card company to authorize additional credit, or request the guest to make a partial payment to reduce the outstanding account balance.

Tracking Transactions

A transaction initiates accounting activity in the front office accounting system. Proper posting procedures depend on the nature of transaction and its monetary value. Different types of transactions have different effects on the on the front office accounting system. Each type of transaction is communicated through a different voucher to the front office. Various transactions are as follows:

1. **Cash Payment:** Cash payments are made at the front office either to decrease the balance of account, to settle an account or to prepay accommodation (advance payment). Cash payments made are credited on the proper folio and the front office uses a cash voucher to support such transaction. When cash is paid for any goods or services purchased at a location other than the front desk, no entry is made on the account folio. That particular account is created, increased, settled and closed at the point of sale.
2. **Charge Purchase:** A charge purchase represent deferred payment transactions, which means the guest (buyer) receives goods and/or services from the hotel (seller) but does not pay them at the time they are provided. A charge purchase transaction (debit) increases the outstanding balance of an account. When the transaction does not take place at the front desk, it is communicated for proper posting by means of a charge voucher or an accounts receivable voucher. Ideally, a charge voucher should bear the signature of the guest, which acts as a token of acceptance of services or goods by the guest.
3. **Account Correction:** An account correction transaction rectifies a posting error on a folio. An account correction is made on the same day the error is made, before the close of business, i.e., before the night audit is done. An account correction may increase or decrease the outstanding balance of an account, depending on the error. A correction voucher is used to document an account correction transaction.
4. **Account Allowance:** Account allowance is involved in two types of transactions. One is given for poor services rendered by the hotel and; the other one is given for correction of posting error detected after the close of business, i.e., after the night audit is done. Such an error is separately entered in the accounting record of the appropriate revenue centre and thus corrects the same. An accounting allowance is documented by the use of an allowance voucher and it normally requires an authorization by a managerial staff.

Indian Hotel	
23488	Correction Voucher
Date: _____	
Name: _____	Room No: _____
Explanation: _____	

Amount: _____	Ref No: _____
Cashier: _____ Authorized by: _____	

Fig. 4.37 Correction voucher

Indian Hotel Allowance Voucher	
45787	Date: _____
Name: _____ Room No: _____	
Explanations	Amount
_____ Approved By	_____ Signature

Fig. 4.38 Allowance voucher

5. **Account Transfer:** This involves two different accounts. This operation is supported by a transfer voucher and it reduces the balance of the original folio and increases the balance of the destination folio. This situation may arise when one guest offers to pay a charge posted to another guest’s folio. An account transfer may also occur when a departing guest settles his account by using the credit card. Here, the outstanding balance is transferred from guest account to non-guest account i.e., in the city ledger.
6. **Cash Advance:** Cash advance is a transaction that reflects cash flow out of the hotel. It is a debit transaction as it increases the outstanding balance of an account. It is supported by cash advance voucher and when paid on behalf of a guest, then it is supported by a paid-out voucher (Visitors Paid Out, VPO). For cash advance or paid outs, guests are asked to sign on the paid-outs vouchers (Refer to the format provided in the section on Identification of Various Vouchers).

Front Office Cash Sheet

Since the front office is responsible for handling cash transactions of guest and non-guest folios, proper procedure and control is required to be established. The front office cash sheet is a document that enlists the receipt and disbursement of cash. The cash sheet is used to reconcile cash at hand at the end of the day/shift with document transaction of the day/shift. The various transactions that are recorded on the cash sheet are the settlement amount on departure of a room, advance paid by a guest at the time of registration and various paid-outs given to guests or on behalf of the guest.

Cash Banks

A cash bank is an amount of cash given to a cashier in order to make handling of various transactions easier. Only one person, who signs for it, has access to the cash bank and is solely responsible for it. At the end of the shift, the cash bank amount is separated out and the remaining cash is deposited. Monetary differences between the money placed in the front office cash envelope and cashier’s net cash receipt is noted on the envelope as overages, shortages or due backs. Net cash receipt is the amount of cash, cheques and other negotiable items in the cashier’s drawer minus the initial cash bank plus the paid-outs e.g. value of cash, checks and other negotiable items in the cash box (Rs 50000) – Initial cash bank

Importance of Night Audit

The night audit is the control process whereby the financial activity of guests' accounts are maintained and balanced. This process tracks charges and payments (debits and credits) and the departmental receipts and charges, on a daily basis. This working definition encompasses not only the mechanical proofing of totals of charges and payments but the further review of account activity by the management. The front office manager will be able to monitor the credit activity of guests, project daily cash flow from room sales and monitor projected and actual sales for the various departments.

Learning the process of the night audit can provide valuable information for someone who plans to continue in the hotel industry. It will also provide the necessary objective overview to evaluate the hotel's financial activity. Students will become aware of the role of the general manager, as the night audit allows a review of all the financial activity that takes place in a hotel in one day. Based on that review, the general manager must determine how it should be adapted to meet the expenses and profit goals for the accounting period. It also allows the general manager to see if marketing plans and operational activities have accomplished their stated profit goals. The night audit provides insight into how each department must be monitored to produce an acceptable income statement. It pulls together the plans and operations of a hotel on a daily basis, not just at the end of an accounting period. Ultimately, the night audit allows general managers to make good financial decisions based on current and cumulative data.

Functions of the Night Audit (Night Auditor)

The night audit is concerned with the following functions:

- Verifying posted entries to guest and non-guest account
- Balancing all front office accounts
- Resolving room status and the discrepancies
- Monitoring guest credit limits and identifying high balance accounts
- Producing operational and managerial report

The night auditor should be familiar with accounting details, the operational procedure and the guest credit restrictions. The night auditor prepares a daily summary of cash, cheques and credit card transactions that occurred at the front desk. He also prepares various operating statistics like occupancy percentage, room revenue, etc. All these data reflect the front office's financial performance of a day. The night auditor summarizes and reports the results of operations to the front office manager and these data are used to prepare various statistical analysis.

Establishing 'End of Day'

Front office department of a hotel must decide a time which is considered to be the end of its accounting day or hotel day. An 'End of Day' is simply an arbitrary stopping point for the business day. The front office must establish an End of Day so that the audit can be considered complete through a specific and consistent point of time. Usually, the closing time of various revenue producing outlets or when there are least activities is considered to be the end of day, immaterial of the hour of the day. The period when the accounting day ends and until the audit work is complete, is called audit work time.

Cross Referencing

Various departments of hotel classify and record all the transactions as cash, credit (charge) or paid-out. They are posted to guest and non-guest folios. A voucher is used to communicate transactional information. Transactional documentation is important to have accurate records and effective control and is the basis for data input for front office accounting system. For control purposes and accounting system, they should have supporting documents to verify each transaction. Various supporting documents such as restaurant bills, guest folio, etc. provide cross reference information. Night auditor checks room rate postings on bill folios against the housekeeping report of occupied rooms and front office room rack. This is called bucket check. Similarly, F&B postings to bill folios and non-guest folios are based on vouchers sent to the front desk. The cross reference is done with the help of the F&B sales summary. The review of daily postings confirm the accuracy of front office accounts to the records of revenue producing departments.

Account Integrity

Internal control helps to perform audit job accurately. It is an internal control that no single person should be responsible for accounting of all transactions. If a single person is responsible, then mistakes will not be detected. That is why auditing is not done by the person who posts various transactions. The audit process is complete when the totals for all the guests, non-guests and departmental accounts are proven correct and all are in balance. Auditing is considered incomplete as long as it presents an out of balance position. In this case, a thorough checking of all accounts statement, supporting documents, vouchers and departmental documents are very essential.

Guest Credit Monitoring

The credit monitoring depends on factors like floor limit, house limit, reputation of guest and status of a guest as a potential credit risk. At the close of each accounting day, the night auditor should identify those accounts that have reached or crossed the credit limits. These accounts are called high balance accounts. A report listing these accounts is called high balance report.

Audit Posting Formula

Previous Balance (PB) + Debits (DR) – Credits (CR) = Net Outstanding Balance (NOB)

PB + Charges – Payments Received = NOB

Suppose a guest has Rs 20000 as his previous balance on a particular day. On that day, he has availed services and facilities worth Rs 3000, and made payment of Rs 15000 at the front office cash. At the end of the day, the net outstanding balance of that account will be follows:

Rs 20000 + Rs 3000 – Rs 15000 = Rs 8000

Daily and Supplemental Transcript

A daily transcript Visitor Tabular Ledger (VTL) or Guest Ledger Transcript (GLT) is used as a detailed report of all guest accounts (see Fig. 4.40). It indicates those guests' accounts that had some transactional activity during the day. A supplemental transcript is used to record the day's transactional activity for non-guest accounts. Together, the daily and supplemental transcripts detail all transactions of the day.

Indian Hotel						
Visitors Tabular Ledger						
Date: _____						
Room No. Name No. of Person						
GRC No. Arrival Time Departure Time Rate Plan						
Breakfast Lunch Tea/Coffee Dinner Snacks						
Soft Drinks Alcoholic Beverages Tobacco						
Telephone Laundry VPO Miscellaneous Transfer						
Daily Total Balance B/F Dr. Cr.						
Grand Total Dr. Cr.						
(Less) Deposit (Cash) Allowances Ledger Transfer Balance C/F Dr. Cr.						
Total Dr. Cr.						

Fig. 4.40 Visitors tabular ledger

Night Audit Procedure

The main objectives of night auditing are as follows:

- Correction of the front office accounting errors, if any, and
- Creation of Accounting and Management Reports

In the night audit process, various accounts are compared with the source documents and entries. Discrepancies found must be corrected so that front office accounting system is in balance.

The various steps of night auditing are as follows:

1. **Check posting:** It is the duty of the front office staff to post various transactions onto the proper folio as and when they arrive at the front desk. The night auditor must confirm about the posting before starting the audit process. Charges posted with wrong date will confuse guests and complicate cross referencing. Incomplete posting will result in errors in account balancing and

complicate summary reporting. To verify this, the night auditor checks all vouchers and their postings on the proper folios.

2. **Reconcile Room Status Discrepancies:** Errors in room status can lead to loss of revenue, confusion at front office, uncontrollable room revenue or omission in posting. The night auditor reconciles discrepancies between housekeeper's report and the front office room status report. If the housekeeper's report says that a room is vacant while the front office report does not say so, then the possibility can be as follows:
 - Guest has departed and forgotten to check-out
 - Guest might be a skipper
 - Front office cashier must not have closed the folio properly at check-out

If such situations arise, then the night auditor closes the folio and keeps it aside for front office manager to review and follow-up.

3. **Verify Room Rates:** The night auditor completes a room revenue and count report. This shows the rack rates and selling prices of rooms. If a discount is given, the night auditor considers the following factors:
 - Whether the discount rate is correct or not as per the policy of the hotel.
 - Is that a shared reservation?
 - If the room is given on complementary, he checks back-up documents.

This report forms the basis for Room Revenue Analysis.

4. **Balance All Departments:** The night auditor balances all revenue-producing departments using source documents. He balances all the front office accounts against departmental transaction information. Vouchers received at the front desk are totaled and compared with departmental sales summaries. When the front office accounting system is out of balance, the correctness and thoroughness of accounting postings must be investigated. A detailed department audit is conducted and individual posting reviewed until the front office account error is corrected.

Note: Mathematical balance in guest accounts against departmental totals does not necessarily mean that the proper accounts were selected for posting. Posting the correct amount in an incorrect account would still present an in-balance total. This type of error usually goes unnoticed until a guest has a problem with validity of an entry in the statement.

Departmental Balancing Sequence:

1. Sort vouchers by originating departments.
2. Consider each department's vouchers separately
 - (a) Separate correction vouchers
 - (b) Total the corrections
3. Verify corrections. The total of correction vouchers should tally with correction figures on the front office shift report.
4. Consider the vouchers again.
 - (a) Total the rest of the outstanding vouchers.
 - (b) Check individual transaction values on the bottom of the vouchers against the figure on the departmental report.
5. The vouchers should tally with the department's figures. If it does not tally, the error should be resolved.
 - (a) Verify date: It should be correct date (current days date).

- (b) Check individual posting against supporting document.
 - (c) Post any additional corrections or adjustments.
6. All of the back-up data should be for the accounting department to review.
5. **Verify No-Show Reservations:** The night auditor is also responsible for filing and posting charges to no-show account. This should be done very carefully as at times a duplicate reservation is done or a separate data is created as the name of the guest was misspelled at the time of reservation. At times, if cancellations are not recorded correctly, guests might be billed incorrectly.
 6. **Post Room Rates and Taxes:** Posting of room rates and taxes take place at the end of day. After these are posted, a room rate and tax report is generated for the front office manager to review.
 7. **Prepare Reports:** The night auditor prepares reports that indicate the status of the front office activities. The reports which are prepared by the night auditor includes the following:
 - Final Departmental Detail and Summary Report
 - Daily Operations Report
 - High Balance Report/High Risk Report
 - Group Occupancy Report
 - VIP Occupancy Report

Final departmental detail and summary report is prepared to check if the transactions were correctly posted. The daily operations report is very important as it reflects into revenues, receivables, operating statistics and cash transactions related to the front office. The group occupancy report consolidates the groups, rooms occupied by them, number of group members, revenue generated by them, etc. In addition to these, some other reports specific to the property are also generated.
 8. **Deposit Cash:** The night auditor prepares a cash deposit voucher as part of the night audit process. He compares the posting of cash payments and paid-outs with actual cash in hand.
(Cash payment by guests – Paid-outs = Cash in hand)
 9. **Clear or Back-up the System:** In front office accounting system, totals must be cleared at the end of day. This is done by simply moving the closing balance from night audit report to the opening balance of the next day's report. In mechanized system, the account is brought down to zero and this is controlled by the night auditor. Sometimes a separate card called the Z-Card is used to verify this, which is attached with the night auditor's report. In computerized system, a back-up is copied on a storage device and stored safely.
 10. **Distribute Report:** Since the front office information is sensitive, the night auditor must deliver reports to authorized individuals. The distribution of the night audit reports is the final step of night audit process, and it is important to front office operation. Important managerial decisions can be made if all night audit reports are completed accurately and delivered on time.

Goal of Preparing the Night Audit Report

Students studying hotel front office management may ask, 'Why should the night audit report be prepared?' It offers a massive amount of daily operational financial feedback that provides an immediate opportunity for managers to react and respond. The night audit report is the key in maximizing the efficiency of a hotel. The daily figures regarding room occupancy, yield percentage, and average daily rate provide managers with daily opportunities to improve a slow sales period. Guests who demand an accurate folio complete with guest charges can be helped more efficiently as a result of this process.

As you begin your career in the hotel industry, take the opportunity to review the financial statistics generated by the night audit report. It will provide a capsule review of the importance of departmental financial activities and their role in delivering hospitality. This background will also provide you with an insight into the decision-making process, which in turn helps various departments adhere to their budgets.

Duties and Responsibilities of Night Auditor

The night auditor is an official of the hotel who performs certain audit functions in respect of the revenue accounting. This audit function is carried out in the night and that is why the incumbent is known as the night auditor. The night audit is performed in the night because the guests' accounts and the departmental sales accounts and records are closed and submitted at midnight. Moreover, all the restaurant bills, records, vouchers and documents become free and can be made available for auditing in the night as there is less of activity in the Front Office at that time. The functions of a night auditor are as follows:

1. **Room Audit:** The room sale of the hotel is checked with the help of the following records and documents:
 - (a) Guest Registration Card.
 - (b) Guest Arrival Sheet: Arrival–Departure Register
 - (c) Guest Departure Sheet: Arrival–Departure Register
 - (d) Housekeeper's Report
 - (e) Night Receptionist's Room Sales Report

The night auditor is to ascertain the total number of various types of rooms sold during the day and compare the same with the total amount of room revenue reported and accounted for. In case of discrepancy, he has to check each guest account to find whether the room charges have been posted correctly. He is also to see whether each room sold has been duly charged.

2. **Audit of Departmental Credits:** The hotel has several sales outlets such as restaurants, bars, room service, telephone, swimming pool and other minor operational departments. Each credit sale in each of their departments is charged to the guest account in the front office. Each credit voucher raised by the departments is simultaneously posted to guest bill folio and to the debit of guest account maintained through either visitor's tabular ledger or through any mechanical system. At the end of the day, the night auditor should ensure that the total credits as per the departmental sales summary tally with the departmental credit totals of the tabular ledger or that of the machine balances. In case of discrepancy, he has to check the posting of each credit voucher and reconcile the departmental credits.
3. **Checking the Brought-Forward Account in Guest Account:** The night auditor verifies all the brought forward balances of guest accounts with the corresponding carry forward balances of the previous day. He has to check each guest bill in the process.
4. **Checking the Credits to the Guest Account:** The guest account can be credited by allowances, cash payments or transfer to city ledger. The total amount of allowances, cash payments and city ledger transfers as per guest accounts (i.e., either as per machine balance or as per total of the relevant columns in VTL) should tally with the allowance journal, cash collections (as per cashier's report) record of daily city ledger transfer respectively.
5. **Checking the Daily Trial Balance:** After reconciling both the charges and credits to the guest accounts, the night auditor has to ensure the arithmetic accuracy of the guest billing through the following equation:

**(Dr)Daily Brought Forward Balance + Departmental Credit Sales
= (Cr) Allowances + Payments + City Ledger + Carry Forward Balances**

The above balances can be obtained from the departmental total of the VTL or from the memory of the machine under mechanized system of front office accounting.

- 6. Preparation of the Daily Sales Recapitulation:** After completing the day's audit, the night auditor has to prepare a sales recapitulation based on the departmental sales records submitted to him for verification. The sales recapitulation shows the day's sales under various heads like room, food, laundry, telephone, swimming pool and other sales or income.

Night Audit Verification

Various types of posting, mathematical and clerical errors can be identified through a sound night audit system. Among the most typical errors are those involving previous balance pick-up, transpositions and misplaced folios.

- 1. Pickup Errors:** The front office cashier accesses the previous balance (pick-up) of a folio, post the debits and credits, and calculates a new current balance. If the previous balance is picked-up (entered) wrongly, the current balance will also be wrong. This happens in the bill folio and not in the night audit. Pick-up errors are most difficult to locate and all the folios are to be reviewed to locate them.
- 2. Transposition Errors:** These errors are easiest to identify. They occur when the numbers related to transactions are reversed while entering. For example, Rs 938 is entered as Rs 983. Transposition errors are identified by subtracting the smaller number from the larger one and then dividing the result by 9. If the result is a whole number, then the error is most likely to be a transposition error.

$$\{(983 - 938) / 9 = 45 / 9 = 5\}$$

Transposition errors are also called the Rule of 9's by the night auditors.

- 2. Missing Folios:** Many times, the front office accounting system is out balance; a folio is filed incorrectly or been misplaced from the folio bucket. After check-out, the settled folios are placed separately in the forwarding section. At times, current folios are placed in the forwarding section or settled folios are placed along with the current folios. To tackle such a case, the front desk staff should be very cautious and aware of what is happening there. Sometimes some folios are kept separately for review, for example folios with high risk balance or folios with some disputes. In that case a note should be left behind so that others may come to know about the situation.

Formulas for Balancing the Night Audit Report

The following formulas will provide you with an understanding of how to balance the night audit:

Formula to balance Guest Ledger

$$\begin{aligned} \text{Total Revenue} - \text{Paid-outs and non-collect Sales} &= \text{Daily Revenue} - \text{Total Cash Income} \\ - \text{Today's Outstanding Income (A/R Income)} &= 0 \text{ (zero)} \end{aligned}$$

Formula to balance City Ledger

$$\begin{aligned} & \text{Yesterday's Outstanding (A/R) + Today's Outstanding (A/R) Income} \\ & = \text{Total Outstanding (A/R) – Credit Card Received and Applied to A/R} \\ & \quad - \text{Cash Received and Applied to A/R} = \text{Balance of A/R} \end{aligned}$$

Formula to balance Bank Deposit

$$\text{Total Bank Deposit – Total Cash Sales – Credit Card Received (A/R) – Cash Received A/R} = 0$$

(A/R: Accounts Receivables)

SUMMARY

In this chapter, we have learned and understood what room position is and how it is important for us to calculate in each shift, so that we can take decision on the discount to be offered to chance guest. We have also discussed the registration process and its importance. Various kinds of registration records have been explained such as bound book, loose leaf and guest registration card along their merits and demerits.

This chapter has also dealt with important aspects of handling different kinds of guests. As different guest has different needs, we need to be careful while handling guests. To create first impression is very vital. Various guest segments and ways to deal with them are touched upon in this chapter instead of a common arrival procedure. Like arrival procedures have been discussed for reserved guest, FIT, chance guest, VIP, Group, single lady guest, corporate guest, layover passengers and foreigner guest.

Special discussion was made to make the reader understand how to deal with turn away guest, when and why we need to upgrade and downgrade a guest how to handle late checkout request, equipment rental request, etc. We have also discussed how to take precautionary measure for scanty baggage guest, handling guest stationary, material requisition procedure and most importantly how to up sell rooms.

Then we switched over to the discussion on importance of shift briefing and different shifts handover procedure. We have also seen how we maintain guest relation during their stay, how to make courtesy calls and ideal room amenities needs to be provided for corporate, VVIP, CIP and Spatt guests. As occasionally we come across with different kinds of awkward guests, we have also discussed different kinds of awkward guests and how to deal with them.

This chapter further has discussed how to deal with various other functions of front desk, which includes reception, information and cash section. Other functions include room change procedure where we discussed why and how we change guest from one room to another. The reader has also been introduced to ways to handle mails for both guests and employees as well as message handling and paging procedure.

Gradually, we switched over to one of the most important activities of front desk—key control procedure, which is particularly required in case of manual keys. Computerised key system has also been discussed here.

Once the guest leaves the hotel after their stay, the most important activity is to handle their departure because the last impression is the lasting impression. The departure function has been elaborated in this chapter both for FIT and group along with various modern options of departure, such as express checkout and self-checkout, keeping in mind the business clientele.

In the later part of this chapter, we have discussed functions mainly of cash and bills section of front office department. Here first we have learned identification and use of various vouchers such as restaurant & bar check, paid out voucher, allowance voucher etc. Safe deposit lockers has also been discussed though now a days many hotels provide electronic lockers in the room itself. Gradually we have switched over to the various payment modes such as cash payment, credit payment, travel agent payment, foreign exchange, and bill to company, bill on hold and city ledger. Here we have discussed various forms required for dealing with foreign exchange.

The chapter then moves on to discuss front office accounting and night auditing—a little complicated function to understand, especially for the students who do not have commerce background. This discussion entails guest and non-guest accounts, various vouchers, ledgers and charge privileges followed by cash and credit control and monitoring. Night audit being an important function has been dealt at length and the discussion includes its importance, duty of a night auditor, night audit posting formulae, establishing end of day, cross referencing, credit monitoring and daily transcript. Detail procedural steps have also been dwelt upon to perform night audit and lastly night audit verification process and balancing night audit report has been explained to form a clear idea on night audit function.

REVIEW QUESTIONS

1. What is Room position? Why is it important? Elaborate the steps to calculate room position.
2. Discuss various types of registration records with their merits and demerits.
3. Discuss importance and procedure of pre-registration.
4. How will deal with reserved guest on arrival?
5. Explain detail procedure of FIT arrival along with baggage handling
6. What procedure will you follow for chance arrival?
7. Handling VIP arrival is a critical task- comment. Briefly describe the procedure.
8. VIP escorting on arrival is an important function – detail.
9. Draw and explain five records (format) used in front desk.
10. Explain step by step procedure of group arrival along with necessary formats.
11. Explain detail procedure of registration of foreigner on arrival.
12. How will you handle arrival of layover passenger?
13. Explain the following:
 - o Dealing with turn away guest
 - o Upgrading guest
 - o Downgrading guest
 - o Handling request for late check out
 - o Up selling
 - o Handling request for equipment rental.
14. Write the procedure of shift briefing and handover procedure.
15. Explain how GRE deals with anniversary and birthday of guests?
16. List the standard room amenities for corporate and VVIP guests.
17. Describe awkward guest. Discuss how you will handle different kinds of awkward guests.
18. Explain the following:
 - o Room change procedure
 - o Handling mails

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- o Handling mails
- o Handling message
- 19. Explain Manual key control procedure.
- 20. How will you carry out departure procedure for FIT and how it is different from VIP?
- 21. Discuss various check out options available mainly in business hotel.
- 22. Draw and explain the following:
 - o Restaurant and bar check
 - o Paid-out voucher
 - o Miscellaneous charge voucher
 - o Allowance voucher
- 23. Explain handling procedure for safe deposit locker.
- 24. Explain the following in regard to payment:
 - o Cash payment
 - o Credit card payment
 - o Foreign exchange payment
 - o Travel agent payment
 - o Bill to company
 - o Bill on hold
 - o City ledger
- 25. Discuss Foreign Exchange Management Act.
- 26. Write short notes on the following:
 - o Guest account
 - o Non guest account
 - o Different folios
 - o Ledgers
 - o Charge privilege
 - o Cash control
 - o Credit control
 - o Credit monitoring
 - o Cash bank and due bank
- 27. What are the responsibilities of a night auditor?
- 28. Elaborate night auditing procedure in front office department.

Concierge and Telephones

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Describe various functions performed by bell desk section of the front office department*
- » *Become familiar with left luggage facility*
- » *Understand the importance of handling telephone calls at workplace*
- » *Know how important is it to us 'magic' words while talking to guests over phone*

||| CONCIERGE AND BELL SERVICE

Concierge is one of the important sections of the front office department. Its functions are to make the guest's stay a memorable and pleasant one and help other departments and sections to have a close coordination among them to run the day-to-day operations smoothly. The bell desk is situated next to the entrance and headed by the bell captain. The concierge and the bell service staff are the first ones among hotel staff who come into contact with the guest. Therefore, it is their prime responsibility to make a positive impression on the guest. The bell desk staff is always in contact with the guests during their stay. They are also the last ones to see the guest off. Here, they help the hotel in collecting feedback from the guest regarding their stay. Some of the major functions of the bell desk are as follows:

1. Handle group or FIT baggage on arrival, during their stay and at the time of check-out.

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2. Take guest baggage for safe keeping in the left luggage room, issue proper receipt and levy charges.
3. Escort guests to rooms and explain the room facilities to them.
4. Sell postage stamps and picture postcards to the guests.
5. Check guest room on departure.
6. Run errands for the front office within the hotel and for guests outside the hotel.
7. Report scanty baggage to the front office.
8. Page guests in the hotel lobby and public areas.
9. Assist in security vigilance functions.
10. Assist the front office in giving wake-up calls.
11. Assist the guest in packing and parceling.
12. Sort out incoming mail and deliver it to the respective sections. Keep proper record of the registered mails, parcels and redirected mail.
13. Physically check the room, in case of any discrepancy.
14. Receive newspaper and distribute them.
15. Ensure departing guests have paid their bills and returned their room keys following departure procedure.

Shift Handover

It is the responsibility of the bell desk/concierge to ensure that at the commencement of each shift, all the bell attendants attend the shift briefing conducted by the duty manager. Also, they take a detailed handover from the concierge of the previous shift.

Reason

This will ensure that the bell desk staff is aware of VIP movement as well as important events of the day. It also ensures that all the work is followed up and is carried out completely and correctly.

Procedure

1. Concierge should note down the important events, VIP arrivals if any and inform bell attendants accordingly of all the movements.
2. Bell captain must take proper hand over from the outgoing captain on any guest follow-ups, baggage left by any guest at the bell desk to be picked up on the same day and any baggage that is marked BNC. This must be recorded on the bell desk logbook for reference at later dates.
3. Check records of all baggage in store, packets/parcels kept at the bell desk.
4. The bell captain must allocate duties at the commencement of each shift. Also, he/she must decide areas where the staff must be stationed, while not carrying out baggage/message collections or delivery.

Standard

- Concierge should ensure that the staff is well-groomed and aware of VIP arrivals and movements for the day as well as the events in the hotel.
- Detailed and complete handover is done between shifts, before staff leaves the shift for the day.
- Concierge should ensure that the staff reports for shift briefings on time.

Meeting and Greeting Guests

It is the responsibility of concierge to ensure that all guests arriving at the hotel are greeted, met and escorted.

Reason

This will ensure that all guests in the hotel are welcomed in a polite and friendly manner.

Procedure

1. Guests arriving at the hotel are to be received and greeted in a polite and friendly manner by the bell desk staff prior to entering the hotel lobby.
2. Guests attending functions, meetings or using the hotel food and beverage outlets are to be escorted/directed to the venue.
3. Guests checking into the hotel are to be acknowledged by their name wherever possible, escort guest to the reception and introduce guest by name to the receptionist.
4. In case the guests arrive in hotel cars, obtain the name of the guest from the pickup sheet in order to use the same on arrival.

Organising Airport Pick-Up

It is the responsibility of the concierge to ensure that all guests availing hotel pickup from the airport/ railway station should be received and brought to the hotel in a professional and efficient manner.

Procedure

1. Airport officer takes instructions from the concierge regarding pickup/drops for the day.
2. He/she then checks the information regarding the landing details of the flight well in advance.
3. The paging boards are then to be collected from the concierge desk, while ensuring that they are of good quality.
4. The travel desk allocates duties to drivers and releases them for their respective pickup/drops for the airport.
5. Drivers are to reach the airport at least half an hour before the flight arrival.
6. After arriving at the airport, driver is to call the assigned airport officer at the airport in his mobile to inform of his arrival.
7. The driver must then proceed to the designated place assigned for paging for the guest. Here, he/she is to wait for guest's arrival, displaying the page board, prominently.
8. Once the guest responds to the page board, the driver/airport officer should greet the guest by his/her name, use standard phrase to offer assistance with the baggage.
9. Inform the guest to wait at the waiting bay.
10. The driver should then proceed to the car park and drive the car to the waiting bay.
11. Tag guest luggage and place it in car boot after reconfirming the number of pieces with the guest.
12. Seat the guest first after opening the door.
13. Once inside the car, the driver should offer the guest a cold/hot towel to freshen up.
14. Airport officer should call the concierge, to inform of the guest name and the car number bringing the guest to the hotel.

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15. After the driver starts driving the car, he must offer the guest the choice of music that is available and accordingly play guest's preference en-route to the hotel. The driver must inform the guest the approximate time to reach the hotel.
16. En route, the driver must be aware of any monuments, building, etc. to answer any of guests' queries.
17. Driver must ensure that no traffic rules are broken.
18. Driver must drive in an unobtrusive manner.
19. When approximately 2-3 km away from the hotel, the driver must call the concierge to inform of the arrival.
20. On reaching to the hotel, drop the guest at the main entrance/porch. Remove guest baggage from the boot of the car and hand over the baggage to the doorman/bell attendant.
21. Wish the guest a pleasant stay in the hotel, by name.
22. Drive the car to the car park.
23. Record the mileage and the destination and nature of the duty in the car diary.

Retrieval of Guest Lost Baggage at the Airport

In case of baggage loss at the airport, the concierge must try and retrieve the lost baggage on guest's behalf, with the assistance of the airport representative.

Reason

This will help save time and to extend delighted service.

Procedure

1. Whenever such a request is received, collect the following documents:
 - Per report (issued by airlines)
 - Authority letter, duly signed by the guest to authorize the airport representative to collect the guest baggage from the airline on his behalf.
 - Photocopy of the passport (pages that show name, photograph, signature, visa, arrival stamp)
 - Key or the combination number of guest baggage.
2. Check with the guest if there are any dutiable items in the baggage. If so, then the guest will have to accompany the airport representative to retrieve the baggage.
3. Check with the guest if the luggage has to be sent to the room or kept at concierge once it is retrieved from the airport, especially if the lost luggage arrives late in the night.
4. Follow up with the airlines regarding status of the baggage.
5. Proceed to the airport and deal with different authorities to retrieve the luggage.
6. Keep the guest posted on any developments and inform the guest about any miscellaneous charges.
7. Inform concierge on return and hand over luggage to the guest.

Distribution of Newspapers

It is the responsibility of the concierge to ensure that all in-house guests are given at least one daily and one financial paper (in commercial hotel) everyday. Also, it is important to ensure that guest's request for specific newspapers is met accordingly. Wherever applicable, they must provide foreign/outstation newspapers as per guest request.

Procedure

1. The bell desk is responsible for the preparation and distribution of papers to the in-house guest as well as the executive offices.
2. Inform agency to increase/decrease the supply of newspapers, considering the hotel occupancy and demand of newspapers.
3. The Bell captain must prepare a newspaper list for all in-house guests that clearly states newspapers requested by the guest along with the guest room number.
4. The bell captain then prepares a newspaper distribution list wherein any guest special request are to be listed. In case of no special request, the guest must be given at least one daily and one financial paper.
5. After preparing the list, the bell captain must allocate the floor number to the bell attendants who organise their newspapers accordingly with inserts (if any).
6. The bell attendant should then fold the newspapers.
7. These newspapers are then put in delivery bags for the guests.
8. Once the newspapers are ready for delivery, the bellboy uses the in-house list and delivers the same.
9. The in-house guest newspapers are to be hung on the doorknobs of the respective rooms as per the list.
10. The newspaper list should then be returned to the bell captain.

Drugs/Medicines for In-House Guests

The hotel should provide the facility of getting medicines and prescribed drugs for in-house guests whenever required, these requests are always to be routed through the concierge.

All purchases for in-house guests for drugs/medicines should be made only with a prescription from a doctor (except for non-prescriptive drugs like Paracetamol and Anacin).

Procedure

1. On receiving the request, wish and greet guest according to the time of the day.
2. Listen carefully and note down the request.
3. Take down room number and ask the guest for the doctor's prescription.
4. If guest does not have the doctor's prescription, then take their signature on the disclaimer form.
5. Check with the guest if he requires any medical assistance.
6. Take money equivalent to the approximate cost of the medicines from the front office cash.
7. In case the pharmacy is open, send the bell attendant to purchase the medicines or call-up the pharmacy to deliver the medicine.
8. In other cases when the request is received at odd hours and the chemist is closed, inform the guest that he will have to bear the transportation cost since a person will have to be sent to purchase the medicines from the nearest 24-hours chemist.
9. On receiving the medicines, inform the guest and ask him if he would like the medicines to be delivered to the room.
10. Send the bell attendant with the medicines; receipt and miscellaneous voucher (for guest signature) to the room.

Note: No medicines should be purchased without a doctor's prescription.

Providing Stamps and Mailing Facility

The guest can avail stamps and mailing facility at the concierge desk.

Reason

This will ensure that stamps and mailing facility are given to all the guests and create a one-point contact for all guest requirements.

Procedure

1. Stamps and other postage facility, such as mailing, registered post, speed post, etc. are handled by the concierge.
2. Get approximate amount from guest in advance. Payments for the same are only accepted in cash. In exceptional cases, the amount can be put to room bill.
3. The bell attendant must pick up all the mail when he goes to the post office on a daily basis.
4. After the mail is delivered, hand over the receipt to the guest, and settle the dues accordingly.

Standard

- Stamps should be available at all times for guest. Concierge has an imprest amount for the same.
- Stamps should be affixed in the presence of the guest.

Providing First-Aid

Concierge should ensure that bell desk provides first-aid to all hotel guests during an emergency.

Reason

This will ensure that in case of an emergency, all guest requests should be taken care by the bell desk.

Procedure

1. In the event of an emergency, the bell desk is responsible for providing first-aid to hotel guests.
2. The concierge is responsible to ensure that the lists of medicines as prescribed are always and regularly replenished.
3. On receiving information about an emergency, the bell desk should provide first-aid such as antiseptic, bandages, painkillers, etc.
4. Anything of a more serious nature should be informed to the concierge/duty manager, who in turn calls the hotel doctor.

Standard

A complete first-aid box is to be maintained at the bell desk.

Preparing Scanty Baggage Report

It is the responsibility of the concierge to ensure that a record is maintained of all guests who check-in with light or no baggage.

Reason

This will ensure protection against skippers.

Procedure

1. Greet the guest and confirm the number of pieces with the guest on arrival.
2. In case of guest with light/no baggage, inform the reception desk immediately so that they can follow up on mode of settlement of bills with the guest and if required sufficient amount of cash advance could be taken from the guest.
3. On confirmation of the guest being a scanty baggage, the bell boy enters details in the scanty baggage register.
4. The duty manager shall check for all relevant details and ensure security and payment. He/she shall take suitable steps.
5. Duty manager signs the register and acknowledges the same.

6. At the end of each shift, the duty manager along with the register must advise the concierge.

Standard

- Bell desk should inform the reception desk of all guests with light/no baggage.
- Bell desk should keep track on the movement of all scanty baggage guests and inform the duty manager in case it is required.

Medical-Assistance to In-House Guest

Immediate medical aids to all in-house guests in case of need are routed through the concierge.

Reason

This will ensure that all in-house guests' requests are handled properly for medical first-aid.

Procedure

1. Whenever an in-house guest indicates a requirement for immediate medical-aid, listen carefully and take down details and note it down on the handover sheet.
2. Ask if guest requires a doctor. If so, ask the time when he requires the doctor and the nature of ailment. Inform the guest about the doctor's fee.
3. Check with the guest if he needs any other immediate assistance.
4. Inform the duty manager on duty, so that special amenities can be sent later on.
5. Contact the nominated hotel doctor and give him the guest's name and room number and the requirement of the guest. Ask him to come to the hotel at the earliest.
6. On arrival of the doctor, give him the name of the guest and his room number and call up the guest to inform them that the doctor will be coming up to his room.
7. Once the doctor has examined the guest and administered the required medical aid, a paid out should be made at the cashier desk for the doctors' fee and is charged to the guest's account.
8. Check with the doctor if any medication or special assistance/diet is required for the guest.
9. Call up the guest and check if he needs anything else, and wish him/her a speedy recovery.
10. Inform GRE to send flowers with a get-well-soon card from the FOM to the guestroom.

Note: Hotel will always have a doctor on-call for 24 hours.

||| LEFT LUGGAGE FACILITY

Hotel guests at times wish to leave their baggage in the custody of the hotel under the following circumstances:

- When the guests do not need all the baggage they are carrying with them in the room
- When they intend to return to the hotel after a short trip to another city
- When the guests carrying baggage wish their friends or relatives to pick it up
- When the guests are unable to make immediate payment of their bills
- When the guests check out at check-out time to save room billing but leave much later by a flight or train

Every major hotel, therefore, has a room under the custody of the bell captain to provide this service to the resident guests. This Left Luggage Room is kept under lock and key. A record of all left luggage is maintained and daily inventory is taken by the bell captain.

Records of the Left Luggage Room

The records of the left luggage room are as follows:

- Left Luggage Receipt Book
- Left Luggage Register
- Charge Summary Record

Indian Hotel Left Luggage Receipt			
23148		Date _____	
Name _____			
Room No. _____			
Sl. No.	Description	Qty	Remarks
Signature			
Hotel is not responsible for baggage left over 30 days			

Fig. 5.1 Left luggage receipt

The hotel, however, does not take complete responsibility of the goods or baggage that may be kept by the guest with the hotel since there is no way of knowing what the actual contents of the baggage or packages would be. It frames certain conditions that are printed on the reverse side of the left luggage receipt. These conditions are as follows:

1. The hotel accepts the baggage or packages for storage on a condition that shall be in no way liable for loss caused to it through water, fire, theft or other such cause.
2. The hotel shall not be responsible for the baggage or packages after the expiry of 30 days of storage.
3. Precious, semi-precious items like jewellery, cash, etc. will not be accepted for storage. The guest is advised to contact any scheduled bank and hire a locker for such a purpose.
4. No edible item, explosives and inflammable materials should form a part of the content of the goods being given for storage.
5. Guests are requested to ensure that baggage or packages handed over for storage are properly locked and secured.
6. Guests are required to sign the register for this purpose at the time of handing over and receiving their luggage.
7. A nominal charge is levied per day for baggage or packages accepted for storage.
8. Baggage or packages are handed back only on the production of the receipt.

Procedure for Accepting Baggage

1. Count the number of pieces of baggage and check if locks are intact. (Under no condition should a baggage that is unsecured be accepted for storage).
2. A Left Luggage Receipt (Fig. 5.1) incorporating the exact description of goods being received for storage is made. (If there are any noticeable signs of deterioration or damage, the fact should be brought to the knowledge of the guest and a note should be made on the receipt).
3. Entry is made in the left luggage register (Fig. 5.2) and the guest is requested to sign on it.
4. The guest is handed over the original copy of the receipt.
5. The second copy of the receipt is pasted on the luggage.
6. The baggage is stored properly on the shelves.

Note: At the time of accepting the baggage, it should be found out whether the guest has settled his bills or not; this fact is also to be mentioned on the receipt.

Delivery of Baggage Kept for Storage

1. First, the guest is asked for the receipt of left luggage.
2. The original receipt is tallied with the one pasted on the baggage.
3. Storage charges are calculated.
4. Guest is requested to make the necessary payment.
5. Guest is requested to sign the left luggage register.
6. Publicity stickers are put on the baggage.
7. Baggage is handed over to guest.
8. Original receipt of the left luggage is attached to the book-copy of the left luggage receipt.

Indian Hotel Left Luggage Register							
Date	Room No.	Name	Bell Boy	Luggage Tag No.	Description	Date of Delivery	Guest Signature

Fig. 5.2 Left luggage register

||| HANDLING TELEPHONES CALLS

In the service industry, we all are continuously putting efforts to win the hearts of the guests. When we interact with our guests personally, we use our smile, eyes, gestures, postures, etc. to impress them. But when we talk to the guests over telephone, we only have our voice to impress the guest. Therefore, we need to take extra care to use our voice professionally. The experts have developed certain guidelines to use our voice effectively known as the *Telephone Manners* or *Telephone Skills*.

Telephone Manners

1. Pick up the telephone before the third bell rings.
2. Wish the guest by name whenever possible, e.g. good morning/good afternoon/good evening Mr Dev.
3. Disclose your identity i.e., Indian hotel/room service/marble room/reception/hospitality desk, etc.
4. Offer help.
So, the first sentence will be: *‘Good morning Mr Dev, I am Swaraj from the Banquet. May I help you?’*
5. Keep the telephone accessories (note pad and pen) handy.
6. Do not speak too fast or too slow.
7. Listen carefully and do not interrupt your guest.
8. Write down the information clearly and legibly.
9. Do not use mechanical voice.
10. Make your voice interesting by speaking from your heart.
11. Use magic words, wherever applicable, such as ‘May I’, ‘Please’, ‘Thank you’, and ‘Sorry’.
12. Use your natural voice and do not imitate others.
13. Never chew pan/ betel nut/ gum, etc. while speaking.
14. Never use the word ‘Hello’, ‘OK’, ‘Yap’, ‘Cool’, etc. as they are informal.
15. Keep the mouthpiece two inches away from your mouth—it is hygienic.
16. Speak into and not over the mouthpiece.
17. Do not let it sag below your chin.
18. Speak clearly—cheerful and unhurried.
19. Never be loud or whisper.
20. Clarify if you are in doubt—it is wise than taking the wrong information.
21. Remember the calls on hold.
22. Repeat key information at the end.
23. Always thank your guest before closing the conversation.
24. Allow your guest to keep down the phone first.

Updating Information Board

It is the responsibility of the telephone operator that the information board at the operators cabin to be updated constantly as and when required.

Reason

The purpose of this policy is to ensure that the operators have a ready reference about the special requests or requirements of the guest.

1. The telephone operator should as a part of their handover get the information board updated by the outgoing shift.
2. The information board should have the following details:
 - Name and room numbers of all VIP's in-house
 - Name and room numbers of all HWC (handle with care) guests
 - All special requests, e.g. DND and calls to be screened
 - All locators regarding guest location
3. The DND and other special requests to be updated on the board as and when required.
4. The list of VIP's in-house and HWC guests to be updated once at the beginning of each shift.

Situations and Appropriate Response When Handling Telephones

Some of common situations and their apt responses are listed below.

Situation	Response
<ul style="list-style-type: none"> • When you greet • Always end sentences with guests' name. If you do not know the name then address by using Sir or Ma'am 	<ul style="list-style-type: none"> • Good morning Sir/Ma'am from 0000 hours to 1200 hours • Good afternoon from 1200 hours to 1600 hours. • Good evening from 1600 hours to 0000 hours. • Good night from 1600 hours to 0000 hours. <p>When you are seeing the person for the last time in the time span mentioned.</p>
<ul style="list-style-type: none"> • When you want to know their name 	<ul style="list-style-type: none"> • Please may I know your name Sir? • Do not ask for "Good Name" as such an expression does not exist in the English language. Do not ask "What's your name Sir", it sounds rude.
<ul style="list-style-type: none"> • When you use their names 	<ul style="list-style-type: none"> • Mr. with their last name and not their first name. So Vikas Roy is not Mr. Vikas but Mr. Roy.
<ul style="list-style-type: none"> • When you have to clarify any names which are long and unfamiliar 	<ul style="list-style-type: none"> • Excuse me Sir, kindly guide me on the spelling Sir.
<ul style="list-style-type: none"> • When you find names unfamiliar to pronounce 	<ul style="list-style-type: none"> • Excuse me Ma'am. I do not want to mispronounce your name. Kindly advice me on the correct pronunciation.
<ul style="list-style-type: none"> • When you have to agree with the guest 	<ul style="list-style-type: none"> • That is right Sir, or That is correct Ma'am • Do not say "Ya" just say "Yes".
<ul style="list-style-type: none"> • When you have to carry out an instruction 	<ul style="list-style-type: none"> • Very well Ma'am, or "certainly Sir", or "Definitely Sir". • "Ok", "Sure", "Fine", are casual and are best avoided.
<ul style="list-style-type: none"> • When in doubt check 	<ul style="list-style-type: none"> • "Let me check it for you Sir", or "Let me reconfirm it for you Ma'am". • Do not use words like "about 3:00 pm", "Around...", "Approximately", or "I think it is.....". • Do not say "I am new", because to the guest it does not matter, he needs results.
<ul style="list-style-type: none"> • Phrase of assurance: When you have to re-assure a guest for tasks performed use "WE" more than I, because it conveys a sense of team work 	<ul style="list-style-type: none"> • Leave it to us Sir, we will take care of it" or • It will be taken care of Sir."

<ul style="list-style-type: none"> • Phrase of regret Saying sorry means taking on the responsibility for the perceived fault, even if the fault is of some other department. This is the “SYMPATHY” response 	<ul style="list-style-type: none"> • I am sorry for the inconvenience.” • Kindly accept our sincere apologies for the inconvenience Sir.”
<ul style="list-style-type: none"> • Phrase to use when “regret” is not accepted and the guest continues to convey feelings of annoyance, anger, etc. This is the “EMPATHY” response 	<ul style="list-style-type: none"> • “I understand, how you feel about it sir.” • I fully agree with you Sir.”
<ul style="list-style-type: none"> • When a guest praises you 	<ul style="list-style-type: none"> • “It is our pleasure Sir.” • “I am happy we have made you comfortable Ma’am.”
<ul style="list-style-type: none"> • When guests praise other departments 	<ul style="list-style-type: none"> • Thank you Ma’am, they would be happy to hear this.” • I will be happy to convey your compliments.”
<ul style="list-style-type: none"> • When you put a person on hold - say 	<ul style="list-style-type: none"> • “I am afraid the line is busy. Would you like to hold on? “Always go back to the caller if the delay is long. • I am sorry to keep you holding, but the line is still busy.” • If you don’t update the guest on the status of his call, he will feel neglected, forgotten and frustrated, as he cant get through to you. • Never put a guest on hold without acknowledging him first. When you do get to him, apologise for the delay – “Sorry to have kept you waiting Sir, May I assist you?”
<p>Finally Remember:</p> <ul style="list-style-type: none"> • Any response is a good response, if it is sincere, logical, crisp, complete and concise. 	

Junction Checks

It is the responsibility of the telephone operator/telephone technician to check all the junction lines every night.

Reason

The purpose is to ensure the proper functioning of all junction lines.

Procedure

1. During the night shift, the operator on shift has to call up all the telephone lines that are attached to the hotel to check if they are working properly.
2. The number has to be called from one extension and received on the other to confirm their proper functioning.
3. In case a number is ringing for the dialer but not ringing on another console, note down the number.
4. Make an entry in the logbook for the telephone technician to follow up as the first job for next morning. Also, keep the duty manager informed.
5. The morning telephone operator shall provide the list of defective junctions to the telephone technician in the prescribed format as soon as he reports on duty.
6. This prescribed format is then filled by the telephone technician after completion of job for future reference.

Standard

All telephone lines to and from the hotel should be called every night and checked if they are in order and corrective action taken as soon as possible.

Screening of calls for Single Lady Guests

It is the responsibility of the telephone operator to screen all calls for single lady guests for the purpose of security.

Reason

The purpose is to ensure that the single lady guest is provided the maximum security and is not troubled by calls she does not want to entertain.

Procedure

1. When a single lady guest is checking in, the front office assistant is supposed to check with the guest if she would like her calls to be screened or a call back procedure to be followed.
2. The remarks in her profile to be updated in the system accordingly.
3. Also, the front office assistant should inform the operator as soon as a single lady checks-in so that a DND is placed on the telephone line connecting to the room.
4. Whenever the operator receives a call for a single lady guest, they must check the remarks in the profile. If the guest has requested for screening of calls, then the operator should take down the name of the caller and check with the guest if she would like to take the call.
5. In such cases, the caller must be patiently and politely explained the hotel procedure and in case of the caller getting irritated, the call should be transferred to the duty manager.
6. In case she does not want to take the call; the operator will get back to the caller and inform the guest is not in the room.

Faults—Complaints and Rectification

It is the responsibility of the telephone operator and the telephone technician to attend to all telephone complaints promptly and efficiently.

Reason

The purpose of this is to ensure that any complaint made by the guests or the staff is handled efficiently.

Procedure

1. When a guest/staff calls to make a complaint, politely ask the caller the nature of complaint.
2. If the complaint has come from a guest room, apologize for the inconvenience caused and inform the guest how much time it will take to attend to the complaint. Thank the guest for informing the operator.
3. Enter the complaint in the prescribed format and immediately page for the telephone technician and inform him the room number or the extension number that has to attend.
4. The telephone technician should immediately go the guest room, apologize for the inconvenience caused and rectify the complaint immediately.
5. Once the fault is rectified, the technician should call the operator who gave the complaint and confirm that it has been attended to.

Wake-Up Call

It is the responsibility of the telephone operator to provide wake-up call services to all in-house guests.

Procedure

1. When the ringer rings, pick up the phone within three rings.
2. In case the guest wants a wake-up call, politely ask him what time would he like the wake-up call placed.
3. Repeat the time in am/pm, to ensure correct understanding.
4. Also check with the guest if he would like to have tea/coffee with the wake-up call. Enter the room service advance orders in the prescribed format to be handed over to the night order taker in the room service.
5. If the reception informs the operator about a wake-up call, take down the time and the name of the front office assistant giving the information.
6. Feed the wake-up calls in the system as and when you get them.
7. Cross-check the printout of wake-up calls that are fed in the system with the wake-call register if everything has been entered.
8. An automatic wake-up call will go to the guestroom as per the time fed into the system. After five minutes, a manual reminder has to be given to the room to cross-check if the guest has received the call.
9. The manual wake-up call will be provided with the standard phrase saying 'good morning sir/madam, your reminder wake-up call for (wake-up call time), have a pleasant day'.
10. In case there is no reply from the room for the reminder call, inform the duty manager for further action.
11. The DM will send the bellboy to the room who should knock the door/ring the doorbell to wake up the guest.
12. The bell boy must ring the bell thrice and if there is no answer, the room should be opened by the master key to wake up the guest or to check any untoward incident.
13. The bell boy should announce himself and only then open the door with the master key.
14. The guest must be woken up and informed of the wake-up call.

Connecting STD/ISD Call to Entitled Executives and Managers

It is the responsibility of the telephone operator to connect STD/ISD calls requested by the internal customer as per hotel policy.

Reason

The purpose of this is to ensure that all STD/ISD calls are tracked and accounted for.

Procedure

1. Whenever the operator receives a request to connect a STD/ISD call, she/he needs to check if the call is personal or official.
2. In case of official call, the operator has to check if the person is authorized to make a STD/ISD call, and accordingly connect or inform the caller.
3. If the person is not authorized, the HODs permission is required, and the caller will be politely reminded of the policy.
4. For authorized officials, the call is connected and an entry is made in the outgoing call register entering the name of the person, department, duration of call and the purpose.
5. A daily list of long-distance calls is filed to ensure records are maintained, and a weekly report is sent to the GM for information.

- In case of a personal call, the call is connected and a manual voucher is raised and sent to the accounts for settlement against the salary.

SUMMARY

In this chapter, we have discussed the importance of concierge and bell service for better guest satisfaction and understood how we hand over the shift for smooth functioning of this section. We have learned procedures to be followed for meeting and greeting the guest on arrival as creating first impression on guest's mind is very important for every hotel employee. We have also elaborated in detail how to organise airport pick up, retrieval of guest lost baggage at the airport and how to distribute newspapers to our valued resident guests.

We have also learned how we provide various kinds of services to our resident guests such as medicines, stamps and mailing facility, providing first aid in case of emergency, providing medical assistance to in-house guests and last but not least we have discussed how to take precaution and prepare scanty baggage report. We have then emphasised the importance of keeping left luggage facility in the hotel and detailed the procedure for the same.

In the service industry, we all are continuously putting our efforts to win the hearts of our guests. When we interact with our guests personally, we can use our smile, eyes, gestures, postures, etc. to impress them, but when we talk to our guests over telephone, we have only our voice to impress. So, we need to take extra care to use our voice professionally. The experts have developed certain guidelines to use voice effectively, known as Telephone Manners or Telephone Skills. This chapter has highlighted the importance of telephone manners and the procedure of handling calls in this chapter.

This chapter has also touched upon the technicality of updating information board, checking junction board, screening calls for single lady guest, handling technical telephone complaints and connecting STD/ISD call for entitled managers. Lastly, the chapter has also elaborated the detail procedure for wake-up calls.

In the next chapter, we will discuss in detail the other related activities such as guest safety and security, hotel law and license, computerised front office and visa and passport.

||| KEY TERMS

Concierge	Bell service
Shift handover	Scanty baggage report
Left luggage facility	Left luggage register
Telephone manners	Information board
Wake-up call	

||| REVIEW QUESTIONS

- Discuss the various functions of bell desk.
- What standard will you maintain and how will you hand over the shift in bell desk?
- Explain the reason and procedure for meeting and greeting guest on arrival by the bell desk staff.

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4. How is airport pick up and retrieval of guest lost baggage at airport is organised? Discuss.
5. Explain and highlight the importance of the following for in-house guests:
 - Distribution of newspapers
 - Medicine on request
 - Stamp and mailing facility
 - Extending first-aid service
 - Extending medical assistance
 - Scanty baggage report
6. Explain left luggage procedure with appropriate formats.
7. Why is telephone manner important in the service industry? Write any five situations and their appropriate responses while handling telephone calls.
8. How will you screen calls for in-house single lady guest?
9. Explain the procedure for wake-up calls of resident guests.

||| PROJECT WORK

Visit a well-known hotel in your surrounding area and find out major functions of bell desk section there.

Other Related Activities

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Understand manning and procedure of guest safety and security in the hotel*
- » *Know various licenses required for hotel business*
- » *Get acquainted with prevailing laws pertaining to hotel operations*
- » *Know how front office operations can be computerised*
- » *Get an idea of various kinds of visas and passport and their relevance for tourist*

||| GUEST SAFETY AND SECURITY

Security of the guest and their property is of great importance for a hotel. In the US, hundreds of cases of negligence and lawsuits for large sums are filed. A hotel would always prefer to have an out-of-court settlement not only to avoid money and wastage of time but also to keep itself away from controversy and save its reputation. Basically, hotel security involves areas such as guest room locking systems and public areas security. The guest room locking systems these days are taken care of by punched and magnetic card key systems. These systems include locks with flash memory and include productivity linked functions. The system can be directly interfaced with PMS. Public area vigilance is important because people can reach these areas freely. Systems that can alarm and record suspicious movement should be installed in such areas. Boundary and periphery security can be achieved by traditional barbed wires, hedges and the modern electrified fencing and active infrared detectors. Other various modern

equipment such as CCTV with digital technology, intelligent access central system, software interface with CC TV for matching of undesirable visitors, and criminals interfacing of CCTV with motion detectors, pocket lie detectors and spy cameras and use of biometric readers like hand key reader or face recognition system, etc. are also used. In some hotels, access to guest floors are restricted to in-house guests only by interfacing the elevator with a room electronic lock system, where swiping room card key takes the guest to the floor on which he is staying. In case guests have visitors, the guests will have to meet them in the lobby or will have to accompany them to their room. Guest room doors are fitted with electronic eye interfaced with videophone. Scan cameras to monitor undercarriages of vehicles should be used apart from all the various equipment and gadgets. Trained and experienced workforce with attributes such as eye for details, problem-solving methodology, knowledge of human psychology, positive attitude and ability to become a part of security service are important. The security department must provide a secure work environment for employer and employee and also at the same time, safe and secure environment for guest so that the guest has confidence in the hotel.

The following are some of the safety and security measures:

- Resident card should be used.
- Key control system should be used.
- Maintain record of master key used by staff.
- Housekeeper's occupancy report is to be made regularly.
- Double lock system, magic eye and a door chain system are to be used.
- Proper 'left luggage system' is to be followed.
- Safety lockers for guest valuables should be provided.
- Modern and efficient firefighting systems should be used.
- Smoke detectors are to be installed.
- Proper and regular maintenance of equipment, appliances and building should be done.
- Close circuit cameras at parking and other strategic areas in the hotel are to be installed.
- Fire escape route must be displayed in each room.
- Computerised room keys or magnetic keys must be used.

Importance of Security System

The guests who come to a hotel with their luggage come with an expectation that they and their belongings, both, will be safe and secure in the hotel during the stay. At the same time, it is also necessary and rather essential that the hotel staff and its property is properly protected and secure in the hotel. Hence, it is very important that the hotel has a proper security system to protect the guests and the staff and the physical resources and assets such as equipment, appliances, buildings and gardens of the hotel and also the belongings of the guest. Therefore, it is important for the hotel management to select a system that will protect hotel from all such threats.

The management must take care of the security and safety systems for the areas as follows:

1. Protection of guests from crimes such as murder, rape, molestation, abduction and health hazards from outsiders, hotel staff, pests, and other such things like food poisoning.
2. Protection of hotel staff by providing staff lockers, insurances, health schemes, provident funds, etc. Protective clothing, shoes, fire fighting drills, first-aid drills and first-aid equipment, a small dispensary may prove to be very useful, supply of clean drinking water, use of aqua guards, sanitized of washrooms, etc. must be covered in the systems.

3. Secure luggage store rooms and proper equipment such as luggage trolley and bell hop trolley should be provided.
4. Hotel equipment such as lifts, boilers, kitchen equipment, furniture fitting and building must be protected and for these the security and safety should cover up fire safety equipment, bomb threat security system, water floods security system, earthquake security system, pest control system for furniture and fittings, etc. Safety and security measures against accidents such as bursting of boiler, electric shock, etc. can be prevented by regular and periodic maintenance.
5. Protection of raw material, provisions and groceries, etc. For this, the safety system should cover proper storage and pest control systems, apart from the application of material management system.

Types of Security

With regards to hotels, the security can be classified under following three aspects:

1. Physical aspects
 2. Security of persons (guest and staff)
 3. Security of systems
1. The physical aspect of security can further be divided into the following two parts:
 - **Internal Security**
 - Against theft
 - Fire security (smoke detectors, fire alarm, water sprinklers, fire extinguishers)
 - Proper lighting (lighting of corridors, fire escape, basement and other areas)
 - Safeguarding assets (proper inventory, regular physical checks, etc.)
 - Keeping track of unwanted guests
 - **External Security**
 - Proper lighting of boundary and outside of the building
 - Proper fencing of the building
 - Fencing of pool area to avoid accidents in night
 - Planting of shrubbery can also help in restricting perimeter access of property
 - Avoid poisonous and thorny bushes and barbed wire
 - Manning of service gates to restrict entry
 - Fixing of closed circuit TV cameras

2. Security aspects of persons can further be subdivided into the following two parts:

- **Staff**

A fourteen-point effective programme for this is suggested as follows:

- Effective recruitment and selection*: References check and proper thorough screening.
- Identification of staff*: Issue identity badges and use distinct uniform for easy identification.
- Key control*: Maid should carry the key in her possession and issuance and return should be properly recorded.
- Red tag system*: Proper security system for hotel property to be formulated.
- Training*: Proper training to employees to note unusual events, safety drills to be conducted.

- Adherence to management policy of security:* An employee disregarding policy should not be confirmed.
- Trash handling:* Trash should be checked to see if employees are smuggling out materials out of hotel with trash.
- Employees parking:* Proper checking of employees' vehicles at the time of going off duty. If possible, it should be away from the main parking.
- Locker inspection:* From time to time, surprise checking of staff lockers is to be done.
- Inventory records* of linen, stores and other items.
- Bring in experts (snoops):* Hire an outsider, bring him as an employee to check and report about the culprit staffs.
- Security consciousness:* Guest should be told to be careful about his property.
- Enlist employees:* Employees are trained to report about suspected person and guests with scanty baggage, etc.
- Set example:* Management should follow these rules and should encourage employees.
- **Guest Room Security:** Guest rooms are critical areas of hotel security programme. Personal belongings of guest may be stolen; guest may be subjected to criminal assault, etc. Room furnishing such as curtains and supplies may be stolen.

The following steps may be taken for guest room security:

1. Provide wide-angle door viewer, dead bolt locks, night torch and chains on doors.
 2. Employee should be instructed not to divulge information about guests to outsiders.
 3. While giving room keys, ask for key card from the guest, in case of doubt.
 4. Information about any suspicious person roaming in corridor must be immediately reported.
 5. Housekeeping staff should ensure never to leave keys on unattended carts in corridors.
3. The security of systems can be ensured as follows:
- Record all losses and missing items immediately.
 - Inventory control should be proper.
 - Auditing should be done on regular basis.
 - Proper system for cash receipts and disbursements should be made.

The term 'systems' means the operations of the hotel, e.g. all the tools used for operation, procedures laid down for operations and policies to be followed.

The objective of such security is to safeguard the assets of the hotel. Systems, procedures and the policies followed properly shall safeguard the assets and shall increase the lifespan of equipment as well as avoid any breakdown maintenance. This would entail the following:

- Fix duties and assign responsibility, which will help in pin-pointing responsibility in case of thefts, losses due to negligence and any other similar eventuality.
- Make surprise checks.
- Bonding of employees: People who have access to liquid assets should be bonded so that in case of any theft, etc. the concerned person is accountable.
- Hire an independent agency for checking of your systems of security.

Fire

Fires in hotels are too often and may result in the injury/and loss of life or both of the guests and staff. It also causes loss of property and tarnishing of the image of the establishment.

Main causes of fire in hotels:

1. Smoking
2. Defective wiring, faulty appliances and motor and worn-out insulation
3. Untidy and unattended laundry areas
4. Gas leaks
5. Rubbish
6. Blocked staircases and exits
7. Disorganised paint shops
8. Deposition of grease in the kitchen
9. Elevator shafts

Basic types of fire

Class A: Fires in combustible material. Extinguished by the cooling effect of water or solutions containing large percentage of water.

Class B: Fires in inflammable liquids, grease and similar substances where a blanketing or smothering effect is necessary for extinguishing.

Class C: Fires in electrical equipment, where the use of non-conductive extinguishing agent is essential.

Fire Fighting Training

It is probably the responsibility of the chief engineer to train staff from each department who are identified to be included in fire fighting crew. Knowledge of sprinkler, valves, air ducts and fire-hose equipment require a professional background. Regular inspection of firefighting equipment, firefighting practice sessions and demonstrations by the fire brigade department are indispensable for the specially designated firefighting crew.

Fire Alarm Accessories

Ionization smoke detector This is a dual chamber detector with Americium 241 radioactive material. Offers a high-standard of performance and quickly responds to visible and invisible combustible particles generated by the fire in its incipient stage.

Photo-electric smoke detector This optical detector operates on light emitting principle, quickly responds to particles of fire and transmits the valid signal to the equipment.

Accident book An accident book should be kept in every organisation and the receptionist should record all the details of accidents that have occurred to employees while they were engaged in carrying out their normal daily duties. The accident book should be preserved for a period of three years. Every employer is required to take reasonable steps to investigate the circumstances of every accident recorded herein and, if there is discrepancy between the circumstances and the entry made, he is required to take necessary action.

Figure 6.1 shows a fire exit plan.

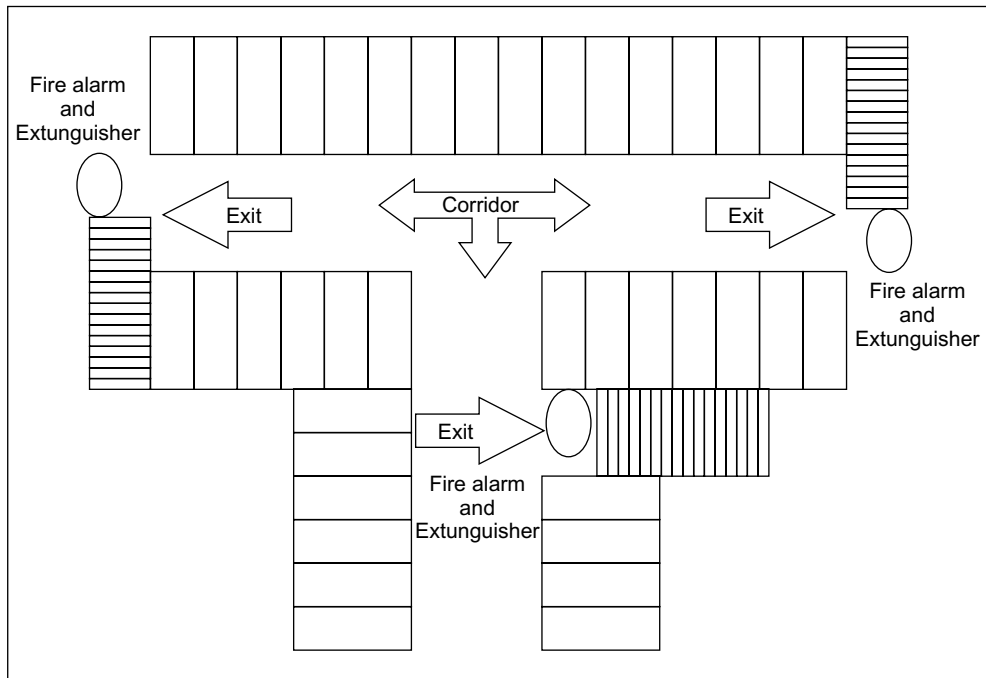


Fig. 6.1 Fire exit plan

Security and Safety Instruction Booklet

Hotels usually use a folder to instruct the guest about security and safety instructions. This folder generally consists of the following:

- Key to security and safety
- Instructions in case of fire
- Escape plan

||| HANDLING EMERGENCY SITUATION

Apart from fire threat, the front office staff at time has to handle a lot of other unusual situations also. Following is a brief guideline regarding how to handle them. These are only guidelines and the final decision will depends on the situation and the person handling it.

Death of Guest in a Hotel

One of the most harrowing situations is handling of death of a guest in room. The front office, being the hub of the hotel, report about the death would usually come to the front office first. This usually is reported by the housekeeping or room service staff. Once the information comes to the front desk, then it must be immediately reported to the front office manager by the receptionist. Usually, the front office

manager will then inform the GM or the resident manager. The security officer should also be informed immediately. Normally in such situations, the police are immediately informed. The hotel doctor is also summoned, who actually will establish and confirm the death. Meanwhile, the hotel will locate the residential address of the deceased and will try to inform the relative or people known to him. After the police complete their formalities and give permission, then the dead body can be removed from the room, the body must be fully covered and then removed, preferably on a stretcher. Care should be taken not to use the guest elevator while removing the body and only the service lift should be used for this purpose. A death certificate should be obtained from the doctor. A report should be prepared covering who informed of the death, time, the room number and the date of the death. In case there is luggage and other belonging of the deceased guest, then they all must be collected, a list is prepared, and the luggage is kept in the luggage room with a note and the person performing this activity shall sign the report. The report should be submitted to GM immediately. Finally, once the dead body is removed, the room should be locked and sealed. Later, when the police give clearance only then the room should be opened, thoroughly disinfected and spring cleaned. Only after the permission of police and subsequently the general manager or resident manager, the room should be sold.

Some important points in this regard are as follows:

1. Do not enter the room alone; always take the front office manager/lobby manager and the security officer.
2. In case you know that the deceased was under the treatment of any specific doctor, the same should be called instead of the hotel doctor, if possible. His physician will also be helpful in knowing and notifying the incident to the relatives and the people known to him.
3. Do not disturb the body or touch anything before the arrival of police; this may be a murder or suicide case.

Security and Safety Measures (To be displayed in Guest Rooms)

- | | |
|--|--|
| <ul style="list-style-type: none"> • Please draw your room key against your key card. Safeguard your room key. • If room key is lost or stolen, report to Reception immediately. • When in your room, for greater security please double lock your door, use the safety chain, and identify visitors before opening the door. • Never admit repair man without checking with Housekeeping. Never admit person with unsolicited deliveries. • Do not leave valuables in your room. | <ul style="list-style-type: none"> • In case you detect a burning smell, fire or smoke, inform the telephone operator. • Should it be necessary to evacuate the building, the hotel staff or public address system will give you instructions on what to do, in such eventually. • Remain calm – the staff have been trained to assist you. • Do not use the lifts. • Determine if safe to vacate by elevators through door viewer. Feel door, if warm do not open. • If fire and smoke conditions are reasonable. • Take 2 wet towels to cover your face and body and your room key in the event your exit is compromised. |
|--|--|

- | | |
|---|---|
| <ul style="list-style-type: none"> • Safe deposit lockers are available with the cashier. The hotel does not assume responsibility for any losses. • Do not reveal the name of the Hotel, and room number to any stranger. • Deposit room key with the Reception when checking out. Do not leave it in the room. • If you notice any suspicious person or object, please contact the Lobby Manager. | <ul style="list-style-type: none"> • Close the door behind you. • If smoke prevails, crouch or crawl to the nearest fire exit and go down. • In case you have to stay in your room. • Fill bathtub and other containers with water for wetting and extinguishing purposes. • Prevent fumes from entering room through vents and openings by plugging them with wet cloth. • Alert Lobby Manager on telephone. • If there is smoke in the room. • Stay lying on the floor holding wet cloth in front of mouth. • Do not break windows unless absolutely necessary. You may cause fire to enter the room. • If smoke is coming through the vent, switch off air conditioning. |
|---|---|

Handling Accident Situations

Accidents, as the name suggests, are mishappenings and the handling depends upon the seriousness of the accident. For example, spilling of water on the guest coat is an accident and also slipping of a guest on the highly polished floor of the lobby and as a result breaking his bone is also an accident. The hotel staff in both the cases will act differently. Hence, what is more important when we talk about handling an accidental situation is the attitude of the person attending to the accident. Basically, the attitude must be helpful and sympathetic and at the same time the person attending must be able to convey a sincere concern to the guest who has met with an accident. Knowledge of first-aid would come very handy in such situations, but at the same time he should restrain himself in giving specialist advice and medicine. His words, gestures and actions would also play a very important role in handling situations. But since the hotel staffs are usually given the first-aid drill and training, hence he should apply that knowledge as per the situation.

The following points should be kept in mind:

1. Remove the person who has met with accident from the site of accident (if possible) as early as possible and take him to a more comfortable area, use a stretcher if required.
2. Call the doctor and give him the details of accident.
3. Preferably take someone with you to the site of the accident as you may need help.
4. Serve the victim immediately by providing first-aid.
5. Keep calm, but do not take too much time to decide as it may be an emergency case.
6. Try to protect your establishment against any false allegations.
7. Prepare a report of the whole incident giving details such as date and time, who reported the accident, room number, the site of accident, the action taken, etc.

Handling Vandalism

The front office should call hotel security immediately and the main door should be locked immediately. Report to the front office manager immediately and in case the situation becomes out of your control, then police must be informed after taking the permission of the manager.

Theft

Theft in hotels is usually divided under the following four categories:

1. Theft by employees of the hotel

Thefts by the employees of the hotel, especially those who come in contact with the guests or who in pursuit of their duties are allowed to enter a guest room, could be kept to a minimum by the following procedure:

- References should be checked before they are employed.
- Keep a detailed record of all employees who enter the guest room such as the chamber maid, bellboys, room boys, maintenance and engineering staff.
- All room keys must be kept under strict control particularly when it is in use, and should be issued to staff only on written authority.
- In case of such incident, an enquiry committee is made to investigate to ensure proper action. Generally, the front office manager, executive housekeeper, security manager and manager HRD are included in the committee.

2. Damage of hotel property by the guest

Damage to hotel property by guest is a very common occurrence in hotels. This may be intentional without any apparent reason and under the influences of alcohol during a conference/convention or party, or sometime accidentally. The hotel management should try to analyse the root cause of the damage. The damage caused accidentally and without any intentions may be overlooked, while in case where it is evident that the guest has damaged the property of the hotel intentionally, the hotel may ask the guest to pay the compensation for the same. In this case, it is the responsibility of the front office staff to charge the guest with the value of the damaged property. A voucher for the amount is made and given to the guest.

3. Theft of the hotel property by the guest

Very common items that usually are stolen by the guests from the room are pillow covers, towels, bed-sheets, bed covers and other room items such as ash trays, openers, water tumblers, soap cases, photo frame, stationery and folders. When the housekeeping department suspects that the guest is leaving with some hotel property, then the first decision that is to be made as to what is the apparent cost of it. If it is a small item, the hotel management may not bother but if it is a costly item, then it is a tough situation. If we allow the guest to go away with the item, it will be a loss to the hotel and at the same time if we ask him to open his luggage, we may loose the guest forever. If the hotel staff is fairly certain that guest has kept hotel property in his luggage then he may politely ask the guest. 'Sir, I believe you have liked the hotel bed sheet, and kept that in your luggage, would you like to return the same or shall I add up the cost in your bill'. If the front office manager has definite information that the guest is taking away hotel property, he may request the guest to open the luggage. But if there is slightest doubt, this step should not be taken because if the guest luggage is clean, he may sue the hotel for defamation.

One of a very polite way of telling a guest that he is taking hotel property with him is to put the cost of item on his bill.

4. Theft by outside thieves

Theft by criminals, other than the employees or guests can be reduced by setting security measure, which includes the following:

- (a) Look for suspicious persons who prefer to use staircase instead of elevators. Those who use lifts usually select either one floor higher or one floor lower than the actual floor that they want to ransack.
- (b) Criminals who come without keys usually walk down the corridor trying to find a room where the door is accidentally left open by the guest or until they find a careless employer. Keep all corridors well lit. The housekeeping should follow a regular and irregular schedule of vigil and rounds.
- (c) Schedule lunch and rest periods of employees so as to keep at least one person on duty on each floor. Most thefts occur between 10 am and 11.30 am and in the afternoons.
- (d) Instruct the telephone operator not to connect the calls of outsider to the guest rooms, if the request is made by room number. She must insist on knowing the name of the guest to whom he wants to talk.
- (e) The receptionist should not send the visitors to the guest rooms directly. On the contrary, they should contact the guest and obtain permission before sending to the room. He may also ask the visitor to use the house phone.
- (f) Guest should be told to keep the balcony door closed to avoid anyone entering the rooms from the balcony.
- (g) House detective may be appointed in case of repeated theft.
- (h) Uses of close circuit television are quite useful.
- (i) In case of doubt, receptionist should not give the room key without examining the key card.
- (j) Use of key drop on the reception counter also helps in avoiding keys going to wrong hand.

Illness and Epidemics

The receptionist may be called for assistance during sickness of a guest. In such cases, he has to advise the patient guest to consult the house physician, but in case the guest has his own physician, the same should be called. He will also notify the housekeeping and room services about the sickness and instructions, if any. During epidemics, all precautionary measures especially in food and beverage service area should be followed. Receptionist may help the guest by informing him regarding the situation and advise to avoid exposures. Mostly senior staff takes over the charge of this situation.

Handling a Drunk Guest

A drunken guest is normally not in his perfect senses and may not be talking sense. It is always advisable never to argue with such guest. One of the most important points is that such guest should be removed from the lobby as early as possible but being careful not to irritate him or offend him. Preferably, he should be taken to the back office or to his room. If he behaves unruly, the hotel security must be called.

Bomb Threat

Considering the increased terrorism, hotels need to handle bomb threats and other forms of terrorism very seriously. Hotels should keep close contact with local police station and obtain guidance regarding

the security precautions and act accordingly whenever guests are particularly at risk. The police always expect cooperation from the hotel authority. Hotels are, by their very nature, vulnerable to the infiltration of terrorists masquerading as innocent guests. In particular, staff would be expected to keep their eye open and to report anything suspicious, from a guest who does not seem to 'fit' to an unattended piece of luggage.

Indian Hotel Bomb Threat Form

Date _____ Time call began _____ Time Call Ended _____

Callers Exact Words _____

Questions to ask:

- When is bomb due to explode? _____
- Where have you put it? _____
- What does it look like? _____
- Why have you done this? _____
- Who do you represent? _____

Details of caller (complete as soon as call ended)

Sex _____

Age (approx) _____

Voice: Fast ___ Slow ___ Coherent ___ Incoherent ___ Loud ___ Quiet ___

Manner: Calm ___ Angry ___ Amused ___ Emotional ___

Accent: Local ___ Educated ___ Foreign ___ Country ___

Can you imitate the voice? Yes ___ No ___

Was the voice familiar? Yes ___ No ___

Was the call long -distance or local? _____

Any background noise? _____

Further action:

Manager notified _____ Time _____

Police notified _____ Time _____

Signature _____

The front office staff is expected to remain in the front line and needs to act accordingly. Another threat is the telephoned bomb warning. The vast majority is likely to be hoaxes, but they cannot be taken lightly. Staff liable to take such calls, usually the telephone operators, need to be trained to handle them correctly. There are two important aspects:

1. The caller should not be interrupted and his words must be written down exactly.
2. As soon as the caller is through, details must be written down as the operator can remember about the caller's voice, mannerism, etc. It is important to do this as quickly as possible because facts are fresh in mind. Before you narrate to anyone, it must be written down on a Bomb Threat Form, as there is an irresistible temptation to decorate the facts with each retelling.

Another related threat may be from letter bomb. It is not always possible to foresee exactly where and when a deranged terrorist may decide to strike.

Staff responsible for dealing with mail should be given instruction in the recognition and handling of suspect packages. As a general rule, such packages are safe enough as long as they are not opened, but this may not apply if they arrive in a damaged condition. Moreover, there is slight but genuine risk that the detonator might be affected by radio transmission, so all packages should be kept separate from any radio paging equipment being used in the hotel.

||| HOTEL LAWS AND LICENSE

For the successful operation of a hotel and catering establishment, it is binding on owners and managers to fulfil certain obligations. Some of these are unwritten such as the obligation to satisfy the customer; others are written down in the form of contracts, mutually agreed upon by the establishment and the employees. Still others are based on the expectations of people within the establishment and outside of it, developed as codes of practice over the years. Finally, there are statutory or legal obligations that need to be fulfilled for safeguarding the health and well-being of people and the establishment. This last group focuses attention on those laws and regulations that affect hotel and restaurant organisations and therefore need to be complied with. For the sake of simplicity, all laws could be dealt with under the following two main headings:

- Those affecting the production and service of food generally referred to as 'food laws'
- Those affecting the people working in these establishments also called the 'labour laws'

In considering the legal implication of any food and beverage service, it is important to be aware of the fact that laws keep changing or get amended by courts or through Acts of Parliament from time to time. This is done to make them applicable to the changing patterns and needs of the society.

The primary obligation of every establishment is that it should be registered, so that it has the legal sanction to operate as a place of public service. Registration of the establishments may be carried out by the local authority or controlled by a Central Government department depending on the location and size of the facility. Every hotel, food and beverage establishment needs to provide the following information to the registrar's office:

- Name of the employer and/or manager
- Area of the premises
- Value of the premises
- Water and light connections existing or required within the establishment
- Number of employees on the premises
- Medical and other facilities provided for the employees
- Contribution of employer to provident fund and other insurance schemes of employees
- Postal address of the establishment
- Name in which the establishment is to be registered
- Category of the food and beverage service such as kiosk, coffee shop, cafeteria, restaurant or any other.

Sarai Act (XXII of 1867)

Sarai

Sarai means a building or part of a building used for the shelter and accommodation of travellers. It also includes a *purao* (place for night shelter for travellers) so far as the provisions of this Act are applicable thereto.

Keeper of a sarai

‘Keeper of a *sarai*’ includes the owner and any person having or acting in the care of management thereof.

Magistrate of the District

‘Magistrate of the district’ means the chief officer charged with the executive administration of a district in a criminal matter, whatever may be his designation. Within six months after this Act shall come into operation, the magistrate of the district in which any *sarai*, to which this Act shall apply, may be situated shall, and from time to time thereafter give to the keeper of every such *sarai* notice in writing of this Act, and shall by such notice require the keeper to register the *sarai* as by this Act provided.

Such notice may be in the form in the Schedule to this Act annexed or to the like effect.

The magistrate of the district shall keep a register in which shall be entered by such magistrate or such other person as he shall appoint in this behalf, the names and residences of the keepers of all *sarais* within his jurisdiction, and the situation of every such *sarai*.

No charge shall be made for making any such entry. After one month, of the giving of such notice to register as by this Act provided, the keeper of any *sarai* or any other person shall not receive any lodger or allow any person, cattle, sheep, elephant, camel or other animal or any vehicle to halt or be placed in such *sarai* until the name and residence of the keeper thereof shall have been registered as by this Act provided. The Magistrate of the District may, if he shall think fit, refuse to register as the keeper of a *sarai*, any person who does not produce a certificate of character in such form and signed by such persons as the State Government shall from time to time direct.

Lodging Houses

For the purpose of by-laws, lodging houses shall mean any *sarai* hotel, boarding house for the general public, rest house or unlicensed emigration depot or any other place where visitors are received and provided with sleeping accommodation on payment and shall include religious and charitable institutions or *rain-baseras* maintained and supervised by the Government corporations.

Every license of a lodging house shall cause his name to be registered as such in the office of the local authority and shall also furnish to the commissioner of the local authority the following information in writing:

1. The position of the lodging house.
2. The number of rooms reserved for lodgers in such lodging houses.

Every licensee of a lodging house shall be requested to make his lodging house conform to the following requirements:

1. The minimum height of every room intended for the use of the lodgers shall not be less than 10 feet.

2. The minimum superficial floor area of each such room shall not be less than 80 sq. ft.
3. Ventilation shall be provided for each such room by means of windows, gratings for other openings exclusive of doors, having a combined area equal to not less than one tenth of the floor area of the room, provided that nothing herein shall in any way be deemed to waive the requirements of any by-laws for the regulation of building in general which may from time to time be in force within the limits of the specified area.

Every licensee of a lodging house, who may be so required by the commissioner, shall keep a register in which he shall enter the name and address of all resident and inmates of his lodging house and the dates of their arrival, departure and such other information as the commissioner may prescribe.

The licensee of a lodging house shall, when it comes to his notice, immediately report to the commissioner the occurrence of any infectious disease therein and shall take measures to keep any person suffering from such disease isolated from all other lodgers unless the case has been investigated by the commissioner.

No licensee of a lodging house shall offer his lodging house or any part of it to be occupied if he knows or has good reason to believe that it has been occupied by a person suffering from any infectious disease, until such lodging house or part of it and every article therein likely to contain infection has been disinfected to the satisfaction of the commissioner.

Rent Control Act and Hotels and Lodging House

The Rent Control Act aims to provide for the control of rents and evictions and of rates of hotels and lodging houses, and for the lease of vacant premises in the concerned specified area. It extends to the areas included within the limits of the specified area and to such urban areas within the limits of the specified area.

Provided that the Central Government may, by notification in the official gazette, extend this Act or any provision thereof, to any other urban area or exclude any area from the specified area from the operation of this Act or any provision thereof.

It shall come into force on such date as the Central Government may, by notification in the official gazette, appoint.

This Act does not apply to the following premises:

1. To any premises belonging to the Government
2. To any tenancy or other similar relationship created by a grant from the Government in respect of the premises taken on lease, or requisitioned, by the Government
(Provided that where any premises belonging to the Government have been or are lawfully let by any person by virtue of an agreement with the Government or otherwise, then, notwithstanding any judgment, decree or order of any court or other authority, the provisions of this Act shall apply to such tenancy.)
3. To any premises, whether residential or not, whose monthly rent exceeds rupees three thousand and five hundred
4. To any premises constructed on or after the commencement of the Rent Control (Amendment) Act, for a period of ten years from the date of completion of such construction

Provisions Regarding Rent

Rent in excess of standard rent not recoverable

- Except where rent is liable to periodical increase by virtue of an agreement entered into before the 1st day of January, 1939, no tenant shall, notwithstanding any agreement to the contrary, be liable to pay to his landlord for the occupation of any premises any amount in excess of the standard rent of the premises, unless such amount is a lawful increase of the standard rent in accordance with the provisions of this Act.
- Subject to provisions of sub-section (1), any agreement for the payment of rent in excess of the standard rent shall be construed as if it were an agreement for the payment of the standard rent only.

Hotels and Lodging Houses

The provisions of this Act shall apply to all hotels and lodging houses in the areas which were included in the State and may be applied by the Central Government by notification in the official gazette, to hotels and lodging houses within the limits of such other urban area of the corporation as may be specified in the notification. Provided that if the Central Government is of the opinion that it would not be desirable in the public interest to make the provisions of this chapter applicable to any class of hotels or lodging houses, it may, by notification in the official gazette, exempt such class of hotels or lodging houses from the operation of this chapter.

Fixing of Fair Rate

Where the controller, on a written complaint or otherwise, has reason to believe that the charges made for board or lodging or any other service provided in any hotel or lodging houses are excessive, he may fix a fair rate to be charged for board, lodging or other services provided in the hotel or lodging house and in fixing such fair rate, specify separately the rate for lodging, board or other services.

In determining the fair rate under sub-section (1), the controller shall have regard to the circumstances of the case and to the prevailing rate of charges for the same or similar accommodation, board or other services and to any general increase in the cost of living after that date.

Revision of Fair Rate

On a written application from the manager of a hotel or the owner of a lodging house or otherwise, the controller may, from time to time, revise the fair rate to be charged for board, lodging or other services in a hotel or lodging house, and fix such rate as he may deem fit having regard to any general rise or fall in the cost of living which may have occurred after the fixing of fair rate.

Charges in Excess of Fair Rate not Recoverable

When the controller has determined the fair rate of charges in respect of a hotel or lodging house,

- The manager of the hotel or the owner of the lodging house, as the case may be, shall not charge any amount in excess of the fair rate and shall not, except with the previous written permission of the controller, withdraw from the lodger any concession or service allowed at the time when the Controller determined the fair rate;
- Any agreement for the payment of any charges in excess of such fair rate shall be void in respect of such excess and shall be construed as if it were an agreement for payment of the said fair rate;
- Any sum paid by a lodger in excess of the fair rate shall be recoverable by him at any time within a period of six months from the date of the payment from the manager of the hotel

or the owner of the lodging house or his legal representatives and may, without prejudice to any other mode of recovery, be deducted by such lodger from any amount payable by him to such manager or owner.

Recovery of Possession by Manager of a Hotel or the Owner of a Lodging House

Notwithstanding anything contained in the Act, the manager of a hotel or the owner of a lodging house shall be entitled to recover possession of the accommodation provided by him to a lodger on obtaining a certificate from the controller certifying:

- That the lodger has been guilty of conduct which is a nuisance or which causes annoyance to any adjoining or neighbouring lodger. For the purposes of this clause, 'nuisance' shall be deemed to include any act which constitutes an offence under the Suppression of Immoral Traffic in Women and Girls Act, 1956 (104 of 1956);
- That the accommodation is reasonably and bona fide required by the owner of the hotel or lodging house, as the case may be either for his own occupation or for the occupation of any person for whose benefit the accommodation is held, or any other cause which may be deemed satisfactory to the controller;
- That the lodger had failed to vacate the accommodation on the termination of the period of the agreement in respect thereof;
- That the lodger has done any act which is inconsistent with the purpose for which the accommodation was given to him or which is likely to affect adversely or substantially the owner's interest therein;
- That the lodger has failed to pay the rent due from him.

Labour Laws and Labour Regulations

Legislation concerned with the employment of people started in India over 150 years ago, with the Apprentices Act of 1850, which created an obligation on the part of the employers to safeguard the welfare of the employees while teaching them respective skills. Hotel labour laws and regulations vary from state to state; therefore, it is difficult to specify the hotel's obligation covered under these laws. The Central government has some laws such as Minimum Wages Act, which includes minimum wages to be paid to each type of worker. It states only the guidelines for the states. The states pass legislation at their own level. In every state, there are laws covering the hiring and minimum wages to be paid to the workers and also special rules and regulations relating to women and children employed in the hotel. The state governments and local authorities have special rules and regulations according to which they issue orders directly affecting the hiring and working conditions of the hotel employees.

Areas Covered by Labour Legislation

1. Working Conditions

The Shops and Establishments Act covers the conditions of work that must be provided by all employees in catering establishments. Working conditions refer to fixation of working hours, regular and timely payment of wages, paid leave, creation of a healthy working environment through the provision of basic necessities such as toilets, washing facilities, rest rooms, comfort at work and the establishment of good human relations.

The Act requires every employer to

- Specify the hours of work which each employee is expected to put in on every working day.
- Ensure that no one is required to work more than five hours at a stretch without at least a half hour break; or nine hours on any single day or 48 hours in any single week. In case it becomes necessary in conditions of emergencies such as staff shortages, strikes, etc. for people to work for longer hours, no person should be made to work more than 54 hours a week.
- Ensure that every employee has a fixed duration lunch-break varying from 45 minutes to one hour. The time period fixed is expected to remain operative for a minimum of three months before it can be changed.
- Ensure that every employee must have at least 24 continuous hours off in a week, with full wages.
- Ensure that the periods during which wages will be paid every month need to be specified and payment expected to be made promptly every month.

Further, employers are expected to intimate these conditions to the chief inspector in-charge of the area, so that he can check periodically that the Act is being complied with.

The Act also prohibits children from being employed. Any establishment employing people less than 18 years of age would be considered to be violating the law.

2. Welfare

The Factories Act of 1948 covers the obligation of employers regarding the comfort and welfare facilities of staff. This Act applies to all establishments employing more than 10-workers and using power in its operations. It also applies to the premises where 200 or more employees work, even if no electricity is used. It does not apply to premises operated by self-employed persons or their families.

The Factories Act expects all employers to provide minimum safeguards for the safety, health and welfare of people at work.

To fulfil the conditions laid down by the Act, every owner or manager of a catering establishment must look after those aspects concerned with welfare of employees. The provision of welfare by an employer usually includes the following:

- (a) Washing facilities for staff along with toilets and rest rooms
- (b) First-aid facilities
- (c) Paid annual leave.
- (d) Uniforms including footwear that is comfortable for work
- (e) Working hours not exceeding ten and half hours a day, including rest periods. The maximum hours per week must not exceed 48 hours. Provision is also made for overtime work
- (f) Paid annual leave at the rate of one month's salary for every year of service for permanent employees

The Employee State Insurance Act, 1948, also takes care of the provision of benefits to employees, which are financed from contributions of employees, employers and the State. The Act was designed to help the employees cover their expenses during periods of sickness, maternity or injury. The benefit is also expected to be paid in the form of a pension to the dependents of workers who may sustain fatal injuries at work. The Act applies to all food service establishments employing 20 or more persons, and covers all employees whose monthly wages do not exceed Rs 1,000 per month.

Other benefits under the Act also include the provision of canteen facilities and meals at subsidized rates, especially where more than 250 workers are employed. As far as food service establishments are concerned, the provision of meals (free or subsidised) has become the custom and practice even in small establishments, with less than 20 workers. This is because the product of catering institutions is food and the benefits act as a deterrent to pilferage. Besides, it is an established fact that if refreshments are given at regular intervals during working hours, the efficiency remains good throughout the day. Managements, however, adopt different practices for the provision of these benefits. Some develop a separate menu for staff meals, so that the costs can be calculated accurately. Others fix the amount of subsidy per head and pay it out in the form of coupons to be used by the employees to buy their meals from the service counters. If any extras are desired or bought, the employees pay the price listed. Still others may pay out the subsidy to the employees weekly, to be used by them as and when they like, for meals and refreshments.

- (g) *Housing Facilities*: These may take the form of housing or payment of a proportion of the salary disbursed as House Rent Allowance (HRA) for renting of accommodation. Managements may also offer loans for building and so on.
- (h) *Financial and Legal Services*: These involve offering credit and loan facilities to employees to those who are in need of money for various reasons. Legal advice may also be given when necessary, to maintain the morale of the people.
- (i) *Purchasing Services*: Some establishments may set up a scheme for the benefit of employees, who can purchase food items in stock at discounted prices. This is beneficial both to the institution and the employees, because in catering it is better to sell out the prepared food items at the end of the day, than to risk storing them for use the next day, especially if cold storage facilities are inadequate. This saves the establishment the expense on unduly large storage spaces too.
- (j) *Recreational Activities*: The provision of physical and mental diversion at work is becoming increasingly important for people. Even in very small establishments, it has become practice to provide music through radios or tape. It is not uncommon to find vendors tuned to their transistors while on their rounds selling food items. In larger establishments, the concept of providing indoor activities likes reading, cards, carom, etc. for employees is gaining popularity.

All welfare activities, however, should preferably be redesigned to the needs of the employees and related to their job requirements. For instance, if a job requires standing for long hours, the recreational activity should provide rest to the legs in particular. In many instances, establishments spend a lot of money on providing welfare that is not fully utilised by the employees, and often not even appreciated. While welfare is an important measure, it should always be considered secondary to the job requirements and hence should be aimed to encourage efficiency, thus helping to achieve the goals of the establishment. The above-mentioned legislation also covers aspects of sanitation and safety, so vital to the successful planning and operation of food services. Any welfare provision would be worthless if the environment provided for work is not safe and healthy.

3. Health and Safety

The Factories Act also lays down conditions to safeguard the health and safety of people at work. In order to conform to the Act, employers are liable to provide an environment that does not in any way adversely affect the health of any person, or injure or disable him in any way. To ensure a healthy environment, therefore, it is necessary to guarantee the following:

- (a) Cleanliness of the establishment and staff

- (b) Proper disposal of waste materials
- (c) Proper ventilation to prevent dust and fumes from collecting in the work environment, and to control humidity through provision of exhaust fans (Unduly high humidity in kitchens causes fatigue and sweating, affecting the food being handled, and through it, the health of the people.)
- (d) Lighting should be such that it does not affect the visibility and eyesight of people at work.
- (e) Overcrowding should be avoided by proper planning of areas.
- (f) Clean drinking water should be provided.
- (g) Proper washing and toilet facilities are essential.

Procedures suggested for the safety of employees at work include the following:

- (a) Periodic maintenance of electric appliances
- (b) Proper placement of fire fighting equipment, and its regular maintenance
- (c) Establishing good working habits and sound safety policy
- (d) Adequate supply of safe water
- (e) Immediate and safe disposal of wastes
- (f) A high level of building and equipment maintenance
- (g) Comfortable working temperatures
- (h) Adequate sanitary facilities for staff and customers (In some states, the local authorities have specified the kind and number of facilities that a caterer is obliged to provide in accordance with various sizes and types of establishments. One toilet to 12 persons has been suggested)
- (i) Training in the use of equipment to eliminate risk of injury
- (j) Eradication of rodents, insects and pests of all kinds

The enforcement of minimum standards of safety and sanitation in food services is usually the responsibility of the local health and sanitation authority of each state or area. The Directorate General of Health Services (DGHS) is responsible for setting up inspection cells to ensure the health and safety of the environment, and to certify that premises where food is prepared and served to a large number of people are free from any health hazards.

4. Harmonious Working Relations

The Industrial Disputes Act, 1947, makes provision for good working relations through the establishment of free communications and negotiations between people at work. In case of disputes, it only covers those which are supported by a trade union or a large number of workers. The Act outlines measures for preventing or settling grievances and disputes, prohibiting strike and lockouts, and negotiating terms and conditions on behalf of employees and employers.

At work, the obligations of employers and employees to each other are based on the contract (written or oral) between them. The Indian Contract Act, 1872, deals with the general principles of the law of contract. It ensures the realisation of reasonable expectations of both parties entering into a legally enforceable agreement at the time of employment.

While the Act does not spell out the rights and duties that it will enforce, it provides the structure within which the parties may chalk out their own rights and duties. Thus, the law will uphold and enforce the essence of a contract. This involves full and final agreement on the details of the contract, in the same sense and at the same time by both parties, that is, there must be 'consensus ad idem'.

In addition, the Factories Act, 1948, is a piece of social welfare legislation governing working conditions of people in factories which are important factors in harmonious relations at work. The Act particularly defines 'factories' to include establishments that prepare articles of food and drink for service to

members of the public. It also classes as 'workers' all persons employed in the kitchen for preparing food for sale, and canteen workers supplying basic and essential amenities to workers engaged in manufacture of goods for sale. The legislation thus broadly covers industrial canteens, commercial food service establishments and all other food services irrespective of their size or nature.

Since catering is a fast growing industry, and workers are becoming members of trade unions, the Trade Union Act, 1926 is also applicable. Trade Unions are basically associations of workers formed for the regulation of relations between people at work, whether it is among employers, employees, or both. These associations are supposed to function so that people can act together to strengthen their bargaining power, and negotiate with employers on progressive or controversial matters.

The Central government has recently considered a comprehensive law on industrial relations in the form of the Industrial Relations Bill, with a view to promote peace and harmony at work through good employer-employee relations.

5. Payments

Payments include those made to employees in lieu of work done. These may be in the form of wages, bonuses, insurance premiums, provident fund and gratuity payments. Sometimes employers are liable to make cash payments in the form of compensation for injury or loss to employees at work. The Compensation Act, however, applies only to those establishments that are not covered by the Employees' State Insurance Act, 1948.

The Minimum Wages Act, 1948, was an effort to prevent employers from exploiting their employees, by underpaying them. Such practice is particularly prevalent in the catering industry and the employment of cheap labour is still existent in small family-based operations that are not often covered by legislation. The criteria set out for wage fixation in the Act are:

1. *Living wages*: These are expected to be linked with the cost of living index and the supply and demand situation for labour.
2. *The ability to pay*: The payment of wages is related to the conditions provided by each type of establishment for work and wage and salary agreements between employers and employees, made according to specific job requirements.
3. Fixing wages according to the going rate within the catering field.

What various establishments are paying in a particular area is further related to the productivity of employees and the bargaining power of recognised trade unions.

The minimum wage rate may be fixed for time and piece work and also for overtime work. The fixation must be in relation to different types of jobs, age and experience of the employee, the location of the establishment on which the availability of staff and permanence of the appointment, and so on depends.

Permanent employees are generally paid a basic salary with allowances adjusted according to the cost of living index. The minimum wage rate may be fixed on a per hour, per day or monthly basis, depending on whether an employee is an ad hoc appointee or temporary for a few hours a day or part-time for a few hours a week. Where wages are not linked to the cost of living index, benefits in the form of subsidised meals or a facility for purchase of food items at concessional rates for the family may be existent. In some establishments, a rate may be fixed that includes the basic rate, concessions and benefits.

Thus, wages may be paid partly in cash and partly in kind. From the viewpoint of the employees, the wages are as good as the purchasing power that they confer and the security they give to the employees and their families. The wage policy of any organisation must not only help to fulfil the basic needs of the employee but also motivate him to work better and reward him for success and achievement.

A good wage policy is one that pays fair wages, while still maintaining a control over labour costs, which are one of the highest costs in the catering industry. Every wage policy must take into account the relationship that exists between duties and responsibilities of particular jobs for which the wages are paid. The pay scales must reflect the differences in experience, ability and responsibility required for the particular jobs. Usually, this is clearly seen through the organisation structure of an establishment.

According to the Payment of Bonus Act, 1956 employers are required to pay a bonus of eight and half per cent of the basic salary of each employee, in establishments where 20 or more persons are employed. This is irrespective of whether or not net profits are made at the end of the accounting year. Establishments which pay more do so because of their own discretion and the power of trade unions to negotiate.

The Payment of Gratuity Act, 1973 was legislated to provide security to employees after retirement, and to their families in the event of their death. The Act placed the entire responsibility of the security provided on the employers.

Legislation thus covers all possible aspects of the health, welfare and safety of people at work. All managers of food service establishments, however, should concentrate on training the staff to comply with the standards laid down. It is also important for every member of an establishment to be aware of the legal, financial and other implications of not achieving the standards laid down by the law.

Laws Governing the Hotel Industry

The laws governing the professional status of the hotel industry should be subjected to review and amendment by both governmental authorities and trade organisations. The aim is to provide a suitable environment for hotels and other tourist establishments so that they may practice their trade under favourable conditions. Emphasis is placed upon raising the standards in general. This should cover a broad range of facilities, furnishings and equipment and also quality of service. Most important, the legislation must set up incentives for capital investment.

The laws should deal with regulating the relationship between hotel guests on one hand, and the hotel management on the other. It should provide stipulations regarding rates and the means of controlling them, the procedures for sanctions including closing and granting of licenses. Standards should also be established for grading hotels and other tourist accommodation in accordance with international practices.

The law may consist of several sections dealing with the following aspects.

Tourist Establishments

These include public establishments that may be authorized by the Ministry of Tourism for accommodating tourists. These include the following:

- | | |
|--|---|
| <input type="checkbox"/> Hotels | <input type="checkbox"/> Floating Hotels |
| <input type="checkbox"/> Motels | <input type="checkbox"/> Tourist Shops |
| <input type="checkbox"/> Tourist Bungalows | <input type="checkbox"/> Rest Houses |
| <input type="checkbox"/> Tourist Rest Houses | <input type="checkbox"/> Apartments (permitted) |
| <input type="checkbox"/> Tourist Villages | <input type="checkbox"/> Homes |
| <input type="checkbox"/> Guest Houses | |

The public places that are licensed by the Ministry of Tourism to offer food and beverages to the tourists are restaurants, bars, night clubs and casinos. Also included under the law for licensing could be transport facilities on land, sea and the river water.

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For the setting up and management of these establishments, a license must be obtained from the Ministry of Tourism in accordance with regulations and procedures to be defined by the ministry. The engineering and structural conditions of such tourist establishments should be specified by the Ministry of Housing and Public Utilities except floating hotels and transit ships, which are the concern of the Ministry of Transport. In all cases, the Ministry of Tourism should approve such specifications.

Only gambling casinos should be opened to non-Indians under the jurisdiction of the Ministry of Tourism, which specifies where gambling can take place and the conditions imposed.

Taxes

Tourist establishments, including hotels and authorised places defined above, may be exempt from taxes, including taxes on commercial and industrial profits and real estate taxes. These exemptions may be granted for the first five years of operation beginning with the date when such taxes become due. Income taxes are borne by individuals and based on the net income of the person. All capital goods, including building material and equipment, whether for the initial erection or for rehabilitation and renovation, is custom-free for authorised tourist establishments.

Operating Personnel

The condition and standard to be met by hotel personnel are to be defined by the Ministry of Tourism.

Guest Relations

The Act should regulate the relationship between clients and hotels in such matters as refusing to rent out rooms and renting rooms at higher rates than those authorised.

Hotel Rates

The determination of tariffs for various services and the grading of tourist establishments are to be covered under the head.

Relation with Ministry of Tourism

The obligations of the tourist establishments need to be spelled out in this section. It includes publishing the hotel grade and price of services in both English and Hindi in guest rooms as well as at the reception.

Notify the ministry the number of guest-nights realised on monthly basis.

Maintain a reservation register for all requests for room reservation.

Sanctions and Loss of License

It could spell out irregular practices that are forbidden and those which could lead to forfeiture of trading license.

Power of Local Authorities

Through certain Acts and by-laws, local municipal authorities may make it mandatory to provide fire escape in certain buildings. This is to protect the users of the building in case of accidental fire.

Before any building can be constructed or used, in which a number of persons are likely to reside at one time, plans must be deposited with the local authority showing entrances, exits, passages and gangways to be provided. The person with control of such a building must observe certain directions, as laid down by the municipal authority. These are formulated so as to ensure that adequate facilities are being

maintained to enable the public to leave the building quickly in the event of an emergency. These provisions apply to any building used as a place of public resort. In conjunction with the fire Acts, almost all premises in the hotel and catering industry are now subject to control of this nature.

Legal Requirements

Almost every aspect of tourism, such as catering and hotel business, is covered by legislation. Some of these legislations will need to be taken into account at the planning stage. Much of these legislations are extremely complicated and may require the advice from legal experts. There are numerous pamphlets and booklets on such legislations prepared by the state governments and local authorities, explaining the requirements and their effect on one's business.

Laws Relating to Premises

Permission for planning a business should be sought from the local authority. If the premises are already being used for the same type of business, it is easy to get the permission. In case it is for construction or structural alteration, the authority may like to go into details as to how the new business will affect the immediate neighbourhood.

Electricity

The regulations should cover electrical systems, equipment and appliances. These must all be of sound construction and should be properly maintained so as to pose no danger when properly used. Only qualified personnel should be allowed to use such equipment.

Practical Implication

Managers should know the location, state of repair and maintenance of every item of electrical equipment on their premises and they should set up a regular maintenance program. Employees using any electrical equipment of any kind should receive training to do so safely.

Fire Precautions

A fire certificate may be compulsory under the fire Act. The premises should be checked by the local fire office. The Act covers fire precautions, fire prevention, fire-fighting, fire training, testing equipment and logging findings and means of escape.

Sanitary conveniences

The local municipal authority may require the owner or occupier of a hotel, public house, entertainment house or place of public entertainment to provide and maintain a reasonable number of sanitary conveniences. There are penalties for failure to comply with these regulations.

Water

The water supply undertaking usually under the local authority, supply water for domestic purposes and may ask the concerned authority to fix a charge per 1000 cubic metres of water, subject to the right of the authority to make a minimum charge. The authority may require that all the water supplied to a club, hostel, place of public entertainment, hotel, licensed premises or a boarding house (capable of accommodating 12 or more persons) be taken through a meter. The consumption as recorded in the meter is charged for.

Contd.

Collection of refuse

Under the Pollution Control Act, refuse from hotels and restaurants is classified as ‘commercial waste’, that the local collection authorities are obliged to collect on request, but for which they are entitled to make a reasonable charge. They may provide waste receptacles for this purpose. In certain small premises, refuse may continue to be regarded as ‘household waste’ and collected without separate charge.

Advertisement

Advertisement displayed on business premises that relate to the business carried on generally do not require express permission from the local authority unless illuminated. In an area of special control, such as a National Park, there would be a limitation on size. An advertisement in the form of a flag that is attached to a single flag shaft fixed in an upright position on the roof of the building may be displayed without special permission, provided it bears only the name or device of the occupier. No letter or figure in any of these advertisements may exceed 30 inches (76 cm) in height or 12 inches (30 cm) in an area of special control. All other advertisements require express permission, application for which has to be made on a form issued by the planning authority. There is a provision of appeal to the appropriate court against refusal.

Legal Requirements in Hotel Business

These generally should cover the following areas:

<i>Premises</i>	<i>Personnel Health and Safety</i>
<ul style="list-style-type: none"> • Electricity • Fire Precautions • Food and Drugs • Food Hygiene • Food Premises • Sarai Act • Shops and Establishment • Lifts and Escalators • Public Health 	<ul style="list-style-type: none"> • Health and Safety • Personal Protection Equipment • Provision and care of work • Work Place Regulations • Shops and Establishment • Explosives Equipment <p><i>The Drinks</i></p> <ul style="list-style-type: none"> • Licensing Act
<p><i>The Food</i></p> <ul style="list-style-type: none"> • Food • Food Safety • Food Hygiene Regulations • Food Premises • Food Labelling • Trade Description • Weights and Measures • Food, Preservation and Adulteration Act 	<ul style="list-style-type: none"> • Weights and Measures • Alcoholic Liquor • Excise Act • Children & Young Persons Act • Employment of Women Act

Contd.

<i>Personnel: Employment</i> <ul style="list-style-type: none"> • Conciliation and arbitration • Disabled persons • Statutory sick pay for employees • Employer's liability • Employment Act • Employment Protection • Equal pay • National State Insurance • Sex discrimination • Shops and Establishment Act • Social Security • Time off for public duties • Trade Union • Redundancy • Employer's liability • Minimum wages • Industrial disputes • Standing orders • Bonus • Holidays and Retirement Benefits, Gratuity etc. • Payment of wages • Gratuity, Trade Union Act, Municipal Laws • Sarai Act: Boarding & Lodging Establishment Act • Excise Act • Food labelling 	<i>The Music</i> <ul style="list-style-type: none"> • Copyright, Design and Patents • Local government • Licensing • Public Health • Control of Pollution
	<i>The Business</i> <ul style="list-style-type: none"> • Indian Companies Act 1956 • Partnership Act 1932 • Insolvency • Data Protection • Regulation Regarding control of substances hazardous to health • Act regarding control of gambling in hotels and guest houses • Hotel Proprietor/Sarai Act • Marketing • Sale of Goods • Contract Act • Price Indications • Consumer Protection • Theft • Rent Control Act • Foreign Exchange Regulation • Environment & Pollution Control • Registration of Foreigners • Shops and Establishment Act • MRTP Act • Essential Commodities Act • Carriage of Goods Act • Insurance Act • Prevention of Food Adulteration Act

Details of Licenses Required in a Hotel in West Bengal

(In other states, more or less same kinds of licenses are required. Detail of one state has been included to form an idea.)

	Nature	Purpose	Issuing Authority
1	Trade License	In addition to the Hotel for each Restaurant and Bars	Municipal Corporation or Panchayat
2	Amusement Tax	For Restaurants	Municipal Corporation or Panchayat
3	Music License	For Restaurants	Municipal Corporation or Panchayat

4	Late Closing License	If the bar is planned to be opened beyond normal hours on different days – for each such day temporary license is required.	Municipal Corporation or Panchayat
5	Police License	Yearly for the Hotel	Police Dept. Govt. of West Bengal
6	Food License	Yearly for the Hotel	Police Dept. Govt. of West Bengal
7	Bar License Bar License	For opening of bar Renewal (yearly)	Police Dept. Govt. of West Bengal
8	Restaurant License	Yearly for each Restaurant	Police Dept. Govt. of West Bengal
9	Music License	Yearly for the hotel	Police Dept. Govt. of West Bengal
10	Temporary Bar License	If the bar is required to close at different hours beyond the normal hours. For each such day a temporary license is required	Police Dept. Govt. of West Bengal
11	Public Performance License	For any programme in open air within the Hotel	Police Dept. Govt. of West Bengal
12	Crooning License	In case the hotel intends to engage foreign performer	Municipal Corporation and Police Dept. Govt. of West Bengal
13	Bar License Bar License	For opening of bar Renewal (yearly)	Director of Excise, Govt. of West Bengal
14	Temporary Bar License	If the bar is required to close at different hours beyond the normal hours. For each such day a temporary license is required	Director of Excise, Govt. of West Bengal
15	Music License	For recorded music in room	The Indian Performing Rights Society Ltd.
16	Public Performance License	In case music system is provided in	Phonographic Performance Ltd.
17	Public Performance License	For programmes on a particular day in open air within the hotel	Phonographic Performance Ltd.
18	Lift License		Chief Electrical Inspector Govt. of West Bengal
19	Generator License		Chief Electrical Inspector Govt. of West Bengal
20	License for Weighing Machine		Govt. of West Bengal
21	Fire License	Coal, Gas Diesel	Govt. of West Bengal Service
22	Fire License		Govt. of West Bengal Service
23	Consent for Pollution Control	For control of Pollution water, air and sound	West Bengal Pollution Control Board
24	Import License	For import of materials against foreign exchange earnings	Office of the Zonal Joint Director General of Foreign Trade, Ministry of Commerce, Govt. of India

III COMPUTERISED FRONT OFFICE

In today's modern hotel, computerisation is becoming more and more important for the efficient and effective operation of the front office. Data are collected from all sources of the front office operation,

i.e. from the time a guest makes a reservation to the time they actually check-out of the hotel. The hotel records data, not just for the benefit of the guest, but also for the benefit of the hotel, especially in the analysis of data for the purposes of sales, marketing and finance. For example, the adoption of an overbooking policy requires data on previous guest stays and their status, trends, number of no-shows, non-guaranteed bookings and possible late cancellations. The use of computers can assist front office management with their short- and long-term planning of such strategies and policies.

It should be noted that this section is not intended to teach you how to use a computer in a front office department, but rather to understand the uses of computers and the benefits and problems associated with them.

The development of the computerized hotel has taken place alongside that of the computer itself. Originally, hotels operated in manual systems covering such matters as the control of the occupancy of their rooms (conventional or density charts), the recording of guest expenditure within the hotel (the posting of hand-written dockets to a tabular ledger) and the eventual departure of the guest (a handwritten bill and receipt).

With the improvement in both reliability and size of the adding machine, many companies, but most notably Sweda and NCR, designed and operated the mechanical billing machine. This piece of equipment was really a number of adding machines inter-linked, all under one casing. However, mechanical billing machines were still reliant on the operator to hit the correct keys, and punch in the correct amounts, i.e. accurately transcribe information from the dockets to the keys of the machine.

With the advent of the transistor and the printed circuit board, hotels quickly started using the electronic billing machines. Once again, the principles were the same as for a manual system, but with the added advantage that a limited memory was available. This meant that the machine held in a memory the final balance of all the guest accounts. This was a great step forward because one of the major problems of balancing the front desk folios was the occurrence of 'pick-up errors' that occurred when the receptionists inadvertently transcribed the last balance of the guest account incorrectly.

As developments in the technology of electronics and computerisation gained pace so, too did the developments in the use of computers in the hotel industry. What we see today is the logical progression of information and accounting systems from an entirely manual method of operation to an electronic method. Despite the change in systems methods, the basic principles are still the same. However, what we see today is a system that apart from performing basic operations is capable of automatically generating information, posting charges to guests' accounts and balancing its own functions. This does not mean that the receptionist or cashier is no longer necessary, but rather that they are relieved of some of the boring and repetitive work which is part of the day-to-day operation of every hotel front office.

With an electronic billing system the built-in memory of the last balance of the guest bill ensures that there are no 'pick-up' errors, and no overprinting of transactions. The electronic system also has an increased range of alpha-numeric characters. This means that a better description of the origins of the charges can be given. Not only does the bill look professional, but it is also easier to read and understand.

A computerized bill has no limitations as to the alpha-numeric characters which it can print, so the bill can be quite explicit as to the origins of each charge. Because the charges can be sent directly to the guest's bill from any of the hotel's outlets, and the computer holds everything in its memory, when a guest bill is requested it is printed out neatly and precisely. Errors can be removed before the final bill is printed.

Reasons for Having a Computerised Front Office

The computerised front office is expensive, and to justify its cost it must offer substantial benefits both to the hotel and its guests. Many jobs in the front office are suited for the use of a computer because of their clerical, repetitive, data manipulation and number calculating nature. They can include the processing of reservations and registering of guests; the updating of room status; posting guests' charges; settling folios; updating of guest history; and generating relevant reports for use by department heads and management.

Despite the large amount of information, computers work with great speed and accuracy. The benefit for the front office is that information is current, is accurate and is made available more quickly. For example, for reservations it improves forecasting; it gives room status availability; a guest's history is easier to obtain; it enhances direct and up-to-date guest billing; it provides automatic telephone billing; and, for accommodation budgeting, past data are easily accessible.

Computerizing front office operations can also have other benefits, including streamlining of paper and data, improving the control over the front office operations, reducing unnecessary costs, particularly labour costs, by automating jobs that are clerical and often repetitive, as well as improving the service to the guest.

Computer system can also help reduce the front office problems of long checking-out time. The use of guest facilities, e.g. mini-bars, in-house movies, telephones, restaurant and bars, can be instantaneously billed to the appropriate room numbers. Guest folios can be remotely inspected by the guest on their television screen prior to check out.

Many problems over the years, between housekeeping and front desk, have arisen over the point at which a room becomes ready for letting. The advantage of a computer system is that the housekeeping can be linked to the same system, so that when rooms have been serviced or are vacant this information is readily available to the front office department. No time is wasted on the telephone calls and trying to find the housekeeper. Room status information is instantly available between housekeeping and the front office.

A computerised front office does not mean that it operates in isolation. On the contrary, the front office now has the ability to work directly with many or all of the other departments within the hotel. Departments such as housekeeping, restaurants, bars, or a health club, all have access to the information normally held at the front desk. This ability to call up front desk information is known as being interfaced with the front desk.

Application of Computers in Indian Hotels

Hotel industry in India felt the need of computerization way back in 1982 when Asian Games (Asiad, 1982) was held in India with an underlying idea of providing more personalized service to the guest. Fortunately, we have today a willing slave called the 'computer' as a means of providing a more complete personal service, which is prepared to work endlessly at very little cost on the most mundane, tedious, boring and repetitive tasks. A computer will change the efficiency of a procedure but will not fundamentally affect its value to the guest. Rather, it would make it more reliable, economical and faster. As a part of effective services, guests are pre-registered to save time, and individual attention can be given to them. Advance information, especially about VIP's, SPATT guests is helpful in providing exactly what they need without asking for it. More personalized touch can be given as the operator

identifies the guest by name and his/her room number and their needs are attended to immediately. Information is dispatched more effectively, inter-departmental communication is quick and information can be transmitted from one terminal to another terminal. Also, the guest accounting is accurate. The guest does not have to wait long for the bill to be made. Last-minute meal charges, mini-bar charges or telephone call bills are updated immediately and have no late charges. At any given moment, the status of room can be verified and a report can be prepared. The back office can use for all the accounting, cash trial balance, payroll, stock control, etc. Another important function is forecasting, leading to better planning and accurate room availability to maximizing room sales and revenue.

Some Computer Companies/Systems

- Hoskyns System
One of the first companies to market a micro-computer based front office system in the UK
- ICIM-101
Uses HAGAS (Hotel Administration and Guest Account System) software package. (ICIM stands for International Computer Indian Manufactures)
- Data Marketed Host
A front desk software system for small hotels with up to 100 rooms
- HOLTECH
The company that has designed a comprehensive fully integrated front and back office accounting and financing system called CASH
- ICIM HAGAS
Also offered a system, called Superstar, for back office operation (an interface of front office to a general accounting system)
- HAL
The Hospitality and Leisure (HAL) system from NELCO
- Opera
An open Window-based system
- HMS
A Slave System
- Integrated Property Management System
FIDELIO System
- HIS
Hotel Information System MICROS (POS)
- Back Office System
HOST, MAXEL
- Personnel/Finance and Inventory System
APCL, OASIS, APGL, ICOMMS, FACT, ICOBCMS
- Central Reservation Systems
NORTH, CDS, SABRE, ITT, SHERATON, GALLILEO, SPIRIT, AMADEUS
- IDS
Fortune Enterprise.—the complete Hotel Management system

Fidelio Hotel Management System

Advantages

Fidelio is an eco-friendly package as it makes the paper work redundant and eliminates filing and storage cost. Fidelio has integrated, configurable, context sensitive help system and is in the form of pull down menus with windows and function keys. It has user-definable and friendly screen with colour-coding by using a set of 12 colour codes to represent the room/guest status. It is a flexible program and has options like screen printing, report generator, user-definable report menus and night audit. It can create extensive guest history. Complete graphical representation of each floor helps the front office staff to monitor and control occupancy.

Disadvantages

Since it is very expensive, an underutilization will be very expensive. Its maintenance is also expensive as compared to other systems and if proper locking is not done, anybody can access guest profile in front office and hence guest information can be easily altered or erased. It is possible that there is no provision to block anyone from reading valuable information hence such provision should be made. Locator information of the guest gets deleted automatically after a particular time. During night auditing, for two hours the terminals are shut down; thus check-ins and check-outs during the period cannot be taken through the computer. The colour coding in floor plan is not prominent enough as shading causes confusion.

The following functions provide assistance during operation:

- Integrated, configurable, context sensitive help system
- Pull down menus
- Function keys with windows.
- Customisable colours
- User-definable screens

Some points to prove its flexibility are:

- Screen painter
- Report generator
- User-definable report menus
- User-definable night audit
- User-definable pick boxes
- Multiple installation parameter
- Unlimited security levels

The module includes the various types of reservations. For example, individual, company, group, airlines, travel agents, etc. and also by any combination and wait-list reservation. User-definable address, reservation, checks in and reservation history screen, address file for guests, companies, travel agencies, sources and group are available. Availability display by room type, (this can be made on the basis of yield management principles also), suites availability, several fixed charges in addition to room rate, unlimited reservation availability period. Availability by room number, room rack rate information and package information on function keys. Manual or automatic rate assignment, ability to enter time of arrival, ability to form a standard/modified confirmation letters and automatic printing of the same for companies or agent are available. Allotments of multiple folios and reservation per room, ability to

combine two separate reservations into one and vice versa, automatic transfer of charges to another room or account can be made possible. It is a highly flexible system. Its uniform and user-friendly interface means that hotel employees can learn this system quickly. It is a completely integrated package designed to manage and maximize the efficiency of hotel operation. It has a special training module which enables the user to work and learn in a real-life environment.

Fidelio is highly user-friendly software with pull-down menus which help and assist the user at every step and only a short-term training to staff is required. Fidelio software is one of the most advanced hotel management software. It is a Munich-based software company. To save the Fidelio from any virus, Fidelio has its own special file and in case a virus gets into it, Fidelio catches it and leads it into a non-usable file from a data base file 'and locks it'. Additional software called 'Red Alert Software' for extra protection is used. Total hardware, i.e. net server, vectra nodes and printer are provided by Hewlett and Packard. Servers are Pentium based.

Fidelio and its Importance in Interdepartmental Coordination and Communication

- Promotes smooth functioning of all departments wherever it is installed
- Reduces paperwork and helps in saving money on extra stationery
- Eliminates communication gap between departments and helps in providing quality service to the guest

The interdepartmental coordination leads to an attitudinal development in the staff. The lax attitude is replaced with more conscious behaviour as they realize that they are equally responsible for their own actions. It saves time and reduces work load and increases productivity. Accommodation operation include two basic and important departments — front office and housekeeping. Fidelio helps in interdepartmental and intradepartmental coordination, cooperation and communication in both front office and housekeeping.

The Fidelio Hotel Management System has the following features:

1. Reservation
2. Group allotment management
3. Yield management
4. Package management
5. Check-in
6. Guest history
7. Guest accounting
8. Check-out
9. Cashier function
10. Deposit accounting
11. City ledger/credit card accounting
12. Rooms management
13. Reporting system
14. Programmed reports
15. Night audit
16. Concierge programme
17. Special accounts receivable programmers
18. Function keys
19. Interfaces

IDS Hotel Management System

The IDS Hotel Management System covers 11 main modules, each module having sub-modules. These are listed below.

1. Front Office Management
 - Reservation
 - Registration
 - Cashiering
 - Day and process
 - Guest history
 - Housekeeping
 - Look-ups, reports, etc.
2. Point of Sale
 - Billing
 - Guest history
 - Look-ups and reports
3. Account Receivables
4. Sales and Marketing
 - Company and Travel Agent's Profile
 - Company Specific Rate and Amenities
 - Company Specific Cancellation and Retention Policy
 - Individual Company Budgets and Forecast Workflow automation for sales manager
 - Business lost entry to record lost business
 - Comparative market share analysis
 - Company Letter and mail merge
5. Banquet and Conferencing
 - Booking banquet space, F&B and other accessories
 - Hall seating arrangements/min/max covers
 - Booking chart and availability screens
 - Forecast and menu planning
 - Menu card for package rate
 - Option to charge hall charge or waive it
 - Assign managers and staff to each options
 - Menu card for fixed package option
 - Letters and contracts
6. Telephone Management System
 - Local calls
 - International calls
 - Long-distance calls
 - Collect calls
7. Financial Management System
 - General Ledger:
 - o Multi-branch accounting capabilities
 - o Multi-currency system

- o Uniform system of accounting
 - o User-defined account codes
 - o User-defined departments and cost centre
 - o User-defined online voucher printing
 - o User-defined reports
 - o Budget vs actual comparison reports
 - o Departmental budgets
 - o Online trial balance/daily trial balance
 - o Bank reconciliation reports, etc.
 - o Outlet-wise/department-wise profit and loss report
 - o Automatic/manual voucher (no generation)
 - o Flexible financial period
 - Account Receivable:
 - o Segmented outstanding based on types of companies
 - o Customized bill covering reminder letter
 - o Region-wise outstanding reports
 - o Credit card consolidation
 - o Credit card register
 - o Credit card and travel agent commission reports
 - o Receipt posting with direct updating the general ledger
 - o Interactive receipt matching
 - o Batch receipt posting
 - o Debtors trial balance report
 - Account Payable
 - o Vendor analysis
 - o Provisional/normal purchase journal
 - o Multi tax structure
 - o Automatic debiting of suppliers
 - o Material management system
 - o Food and beverages costing
 - o Human resource and payroll
 - o Engineering and maintenance management
 - Fixed Assets
 - o Various methods of calculation appreciation
 - o Assets registers
 - o Asset valuation reports
8. Material Management System (MMS)
- F&B stores
 - Engineering stores
 - Housekeeping stores
 - All stores and issue-related reports
9. Food and Beverage Costing
- Food costing
 - Beverages costing

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- Soft drink costing
- Tobacco costing

Food Costing may be based on the following factors:

- o Issue and consumption
- o Each kitchen
- o Recipes .
- o Beverages, soft drink, and tobacco costing are always based on recipes and allow for bar stock maintenance based on sales. The system has a direct interface with POS and Inventory Management System.

Other features of the F&B costing module include the following:

- o Inter-kitchen transfers
- o Inter-cost transfer
- o Item transfer (converting an item from one state to another)
- o Standard vs actual consumption
- o Cost and sales budget
- o Stock maintenance at bar

10. Human Resource & Payroll Management System
11. Engineering and Maintenance Management

Room Master

This software is Window based and very user friendly.

Security

- Room Master has tools to maintain a secure environment for financial information and sensitive guest information.
- Accounting security is available to lock classes of users out of specific types of transactions.
- A change journal is maintained to track all modifications to reservations and folios.

Special features:

- Import existing data to get up and run quickly. Guest profiles, city ledger/direct bill accounts and invoices, as well as travel agent information can be imported with the Import/Export Wizard. The guest services feature is a database of concierge-type information for guests, such as restaurants, activities, airlines, shopping, churches, the guests may ask for. Conduct e-mail marketing from guest profiles.
- Communicate key information to staff with the internal e-mail system.
- Special Receipts can be printed from any reservation or folio to create own baggage claim checks, coupons, vouchers, or passes.
- Convenient multi-language features allow setting the guest language for sign-in sheets and folios.

Reservations

- Rates are easily configured and managed.
- Reservation Rules assist with enforcing reservation policies and yield management.
- The room shares feature allows multiple guests to have a reservation for the same room.

- Track guest events such as dinner reservations, tours, spa appointments and shows directly from a reservation.

Groups

- It is easy for sales department to create and manage group blocks.
- Set a cut-off date to automatically release unsold rooms to general availability.
- Specify charge routing and master billing options are available prior to the group's arrival.
- Easily manage rooming lists with unique import/export feature.

Guest Ledger

- Manage in-house guests and front desk operations from check-in to check-out.
- Print sign-in sheets (GRC) in advance or during the check-in process.
- Quickly check-in guests and provide front desk clerks with the opportunity to 'up-sell'.
- Split a folio up to four ways to handle simple shares and/or separate incidental charges.
- For regular guests, create a roll-over reservation at checkout.
- Retain "unlimited" guest history for reprinting folios and event making adjustments.

Night Audit

- The day end close process usually takes 5 minutes, and the backup process is automated.
- Audit packets can be sent via e-mail. Easily reprint the previous day's audit packet.

Housekeeping/Maintenance

- Ensure effective communication between the front desk and housekeeping and maintenance departments.
- Send maintenance notifications as a cell phone text message.

Accounting

- Generates informative daily/weekly/monthly/yearly reports.
- Fully configurable chart of accounts with security options.
- Configurable sales/profit centres allow tracking sales information for each city ledger account, group block, and travel agent.
- Flexible and powerful tax options. Handles all varieties of taxing methods.

City Ledger/Direct Bill

- Print detailed statements with or without folio backup.
- Automatically add finance charges and/or terms discounting to invoices.
- Set credit limits, tolerance levels, and credit hold status for individual city ledger accounts. Create credit/debit memos directly from invoices to show adjustments.

Reporting

Over 130 reports are available in Room Master.

||| VISA AND PASSPORT

Every foreign tourists entering India required to be in possession of a valid passport and visa from the competent authority available in his own country and government of India issue different types of visa and permits through the Embassies, High Commission or Councilors Office in different countries. The fee for obtaining different types of Visa's is determined by the concerned ministry.

Requirement of Visa

Foreigners desire to visit India can do so after obtaining a visa from the Indian High Commission in the country of their residence. They should possess a valid national passport - except in the case of nationals of Bhutan and Nepal, who may carry only suitable means of identification.

Types of Visas

Following are the types of visas issued by the government of India to the foreign national for their entry to India.

Tourist visa Usually, multi-entry visa valid for a period of 120 days is granted for the purpose of Tourism. The visa is valid for entry into India within six months from the date of issue.

Collective visa Facility also exists for issue of collective visa to group tours consisting of not less than four members and sponsored by a travel agency recognized by government of India. Such groups may split into smaller groups for visiting different places in India after obtaining a collective “license to travel” from the immigration authorities in India. However, they must reassembled and depart as the original group.

Transit visa Transit visas are granted by Indian High Commission abroad for a maximum period of three days.

Business visa A foreigner can obtain from an Indian embassy abroad a marginal entry business visa valid for one year but with the cumulative stay in India of not more than 120 days, provided he wishes to come for some business. Foreigners of Indian origin can also obtain two year multiple entry visa for business tour.

Student visa A student visa can be obtained from the Indian embassy on the production of proof of admission and means of sustenance while in India, etc. The Visa is valid for one year but is extended in India for the duration of the course.

Conference visa Delegates coming to attend international conferences in India can be granted “Conference visas” to cover the conference as well as tourism in India. Delegates are advised to apply to the Indian embassies well in advance.

Visa for the study of yoga, Vedic culture, dance, music etc. Foreigners wishing to come to India to study these subjects are required to apply well in advance with all necessary particulars. The Indian embassies may grant visas for a period of one year which may be extended on an annual basis in India.

Journalism visa Foreign journalists, media personnel, documentary and feature film makers may obtain necessary visas after due formalities from the Indian embassy.

Sports visa Sports team or individual sportsman wishing to participate in international sport events being held in India may apply to an Indian embassy for the grant of visa for the necessary duration. Requests for such visas may be made well in advance.

Expedition visa Foreigners wishing to undertake trekking, botanical expeditions, mountaineering expeditions, canoe rafting, etc., in the team may be granted visas for the required duration on presentation of full details of the touring members, nature of the event, area to be visited and any other tourist information that may be asked for by the Indian embassy.

Exemption from Registration

Foreigners coming to India on tourist visas for 120 days or a shorter period are not required to register themselves with any authority in India. They can move freely in the country, except to restricted or protected areas and prohibited places. Nationals of Bangladesh are exempted from registration up to six months. If the stay is more than six months, they have to register themselves. Individuals without nationality or of undermined nationality should have a valid passports, identity documents or sworn affidavit with visa for which they should apply at least two months in advance. Family passports issued by other governments are recognized without discrimination.

Landing Permit Facility

Tourists may note that no landing permit facility is available to any foreign tourists landing without a visa. A limited facility exists only for the group tours consisting of four or more members and sponsored by a travel agency recognized by government of India. Children below the age of 12 of foreigners of Indian origin may be granted a landing permit by the immigration authorities up to a period of 90 days to see their relatives, in case they happen to come without a visa.

Extension of Visa

Facility exists for an extension of tourist visa, making a total stay in India for six months. In such a case, however, the foreigner is required to register himself with any Foreigners Registration Officer throughout the country and obtain an extension of visa from him. All formalities of registration under the law would have to be fulfilled. No extension beyond six months is provided as a rule. In case of foreign tourist who has obtained extension beyond three months of stay in India, he will have to surrender his certificate of registration before leaving India.

Passport

Passport is bound card issued by the government authorities of a country after completing necessary certifications to certify the citizenship of a person in a particular country.

In India, passport is issued by the Office under the ministry of external affairs, government of India on application in the prescribed form available in all the cities. The scheduled rate of the form is decided by the competent authority from time to time. After several verifications a citizen is provided with the passport which has the following details to identify the concerned person; a certified photograph, date of birth, height, colour of eyes, colour of hair, along with some special identification mark, permanent home address and temporary residential address. Previously the validity of Indian passport was for a duration of five years which was eligible to be renewed for two successive periods on application. But recently the passport can be obtained for a period of 10 years and 20 years subject to payment of the scheduled fees. The passport contains several blank pages for the issue of visa, emigration status, currency exchange information. If the holder loses his passport, he should immediately lodge an FIR (first information report) to the nearest police station so that the lost passport is not misused.

SUMMARY

This chapter has been divided into four sections, namely guest safety and security, hotel law and license, computerised front office and visa and passport. In the first section, we have learned importance of guest safety and security in a hotel and various safety and security measures to be followed in for better effectiveness. We have also touched upon different aspects of security, namely physical, security of person both staff and guest and lastly security system.

We have highlighted the security actions to be taken in case of various situations such as fire, death of a guest, accident, vandalism and theft (both by employees and guest). We have also learned how to handle epidemic situation and most importantly bomb threat.

The second section of the chapter has dealt with various Acts prevailing in the lodging industry. The labour laws and regulations and their areas have been covered under at length along with the legal requirements of hotel business with the help of a chart for easy understanding. The third section has dwelt upon computerised front office and has discussed reasons for having computerized operations in the front office and application of computers in Indian hotels. Various PMS (Property Management System) software systems available along with their features have also been elaborated. The last section of the chapter have emphasised requirement of visa and passport and has covered various kinds of visas and their utility.

||| KEY TERMS

Guest safety	Security system
Firefighting	Hotel laws
Rent Control Act	Labour laws
Legal requirements	Computerised front office
Room Master	Visa
Passport	

||| REVIEW QUESTIONS

1. Detail the safety and security measures to be followed in hotels.
2. What is the importance of security system? Mention and detail various aspects of security.
3. What are the main causes of fire in the hotel? Suggest precautions to be taken to avoid fire.
4. What should be the appropriate action in case of the following emergency situations?
 - Death of a guest in hotel room
 - Accident of a guest
 - Vandalism
 - Damage of hotel property by guest
 - Theft by employees
 - A drunken guest in the hotel lobby
5. How will you handle bomb threat in the hotel?
6. Describe rent control act pertaining to hotels and lodging houses.
7. Discuss labour laws and regulations.
8. List and explain laws which govern hotel industry.
9. Discuss the legal requirements in terms of different areas of the hotel.

10. List any ten licenses required in the hotel along with their purposes and issuing authority.
11. Discuss the reasons for computerised front office operations and also elucidate the application of computers in Indian hotels.
12. Name five PMS soft ware available in India along with their features.
13. What are visa and passport? Explain ten various types of visas.

||| PROJECT WORK

Visit a nearby hotel and find out about their system to handle emergency situations.

Chapter Seven

Management

LEARNING OBJECTIVES

After reading this chapter, you will be able to

- » *Analyse planning, evaluating and forecasting room availability*
- » *Know budgeting and their control*
- » *Get acquainted with yield or revenue management for achieving room revenue target*
- » *Learn what is service and how to deliver it for ultimate guest satisfaction*
- » *Understand service recovery and its detail procedure*

III PLANNING AND EVALUATING

We will first learn about forecasting room availability.

Forecasting Room Availability

The most important short-term planning performed by the front office manager is forecasting the number of rooms available for sale on any future date. Room Availability Forecast is used to help manage the reservation process and to guide the front office staff in effective room management. Forecasting may be especially important on nights when a full house is possible.

A room availability forecast can also be used as occupancy forecast. Since there is a fixed number of rooms in the hotel, forecasting the number of rooms available for sale and the number of rooms expected

to be occupied forecasts the occupancy percent expected on a given date. The forecasted availability and occupancy numbers are very important to the daily operations of the hotel. Room occupancy forecast can be useful to the front office manager for manpower planning. This forecast may be useful to other departmental managers as well. For example, the housekeeping department needs to know the occupancy for scheduling staff. The restaurant manager also needs the data for the same. The chef needs the figures to order for raw materials for the restaurant.

A forecast is only as reliable as the information on which it is based. Forecast can serve as a guide in determining operating costs; every effort should be made to ensure forecasting accuracy.

Forecasting is a difficult skill to develop. The skill is acquired through experience, effective record keeping and accurate counting methods. Experienced FO managers have found that several types of information can be helpful in room availability forecasting. Some of this information includes:

1. A thorough knowledge of the hotel and surrounding area.
2. Market profile of the constituencies of the hotel services.
3. Occupancy data for the past several months and for the same period of the previous year.
4. Reservation trends and a history of the reservation lead times.
5. A listing of special events schedules in the surrounding geographic area.
6. Business profiles of specific groups booked for the forecast dates.
7. The number of non-guaranteed and guaranteed reservations and an estimate of the number of expected no-shows.
8. The percentage of rooms already reserved and the cut-off date for room blocks held for the forecast dates.
9. Plans for remodelling or renovating the hotel that would change the number of available rooms.
10. Construction or renovating plans for competitive hotels in the area.

For forecasting room availability, the front office manager depends on occupancy data. To facilitate forecasting, the following daily occupancy data needs to be collected:

1. Number of expected room arrivals.
2. Number of expected room walk-ins.
3. Number of expected room stay-overs.
4. Number of expected room no-shows.
5. Number of expected room under stays.
6. Number of expected room check-outs.
7. Number of expected room overstays.

Resort and convention hotels are also interested in calculating guest count, besides the room count, as they have high double occupancy percentage.

The above data is important for room availability forecast to calculate the various daily operating ratios to determine the number of available rooms for sale.

Percentage of No-Show

This data indicates the proportion of reserved rooms that the expected guest did not arrive to occupy on the expected arrival date. This ratio helps the front office manager to decide when to sell rooms to walk-ins or the amount of overbooking.

$$\text{No-show percent} = \frac{\text{No. of No-Show Rooms}}{\text{No. of Rooms Reservations}} \times 100$$

$$\text{Walk-in percent} = \frac{\text{No. of Walk-In Rooms}}{\text{No. of Rooms Arrivals}} \times 100$$

(for a period, e.g. day, week, month, year)

$$\text{Overstay percent} = \frac{\text{No. of Overstay Rooms}}{\text{No. of Expected Checkouts}} \times 100$$

(for a period, e.g. day, week, month, year)

Where, No. of Expected Checkouts = Actual Checkouts + Under stay – Overstay

$$\text{Under stay percent} = \frac{\text{No. of Under-stay Rooms}}{\text{No. of Expected Checkouts}} \times 100$$

(For a period e.g. day, week, month, and year)

Where, No. of Expected Checkouts = Actual Checkouts + Under stay – Overstay

Forecast Formula:

	Total Number of Guest Rooms
(less)	Number of Out-of-Order Rooms
(less)	Number of Stay over Rooms
(less)	Number of Room Reservations
(add)	Number of Room Reservations × No Show percent
(add)	Number of Under stay Rooms
(less)	Number of Overstay Rooms
(equal to)	<hr style="width: 100%; border: 0.5px solid black;"/> Number of Rooms Available for Sale

Forecast Forms

The front office prepares several different forecasts depending on its needs. Occupancy forecasts are developed on a monthly basis and reviewed by the Food and Beverage and Rooms Division Manager to forecast revenues, estimate expenses and develop staff schedules.

Ten-Day Forecast

The ten-day forecast at most hotels is developed jointly by the front office manager and the reservation manager. A ten-day forecast usually consists of the following:

Daily forecast occupancy figures, including room arrivals, room departures, rooms sold and number of guests.

The number of group commitments, with a listing of each group name, arrival and departure dates, number of rooms reserved, number of guests, and perhaps quoted room rates.

A comparison of the previous period's forecasted and actual room counts and occupancy percentages.

Figure 7.1 shows ten-days occupancy forecast form

Indian Hotel Ten Day Occupancy Forecast Week ending _____ Prepared By _____										
Date _____ Prepared _____ To be submitted to all Department Heads at least one week before the first day listed on forecast										
1. Date & Day	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
2. Estimated Departure										
3. Reservation Arrivals – Groups										
4. Reservation Arrivals – Individuals										
5. Future Reservations (after the forecast is complete)										
6. Expected Walk-ins (based on past 2 weeks)										
7. Total Arrivals										
8. Stayovers										
9. Total Forecasted Rooms										
10. Occupancy Multiplier (based on no. of guests per occupied room for average of the same day for last 3 weeks)										
11. Forecasted no. of guests										
12. Actual Rooms Occupied										
13. Forecasted Variance (difference between actual & forecasted occupancy)										
14. Explanation (to be completed by FO Manager & submitted to GM)										
APPROVED _____ <div style="display: flex; justify-content: space-between;"> General Manager's Signature Date: _____ </div>										

Fig. 7.1 Shows a ten-day occupancy forecast form

Three-Day Forecast

A three-day forecast is an updated report that shows a more current estimate of room availability. It details any significant changes from the ten-day forecast. The three-day forecast is intended to guide management in fine-tuning staff schedules and adjusting room availability information. Figure 7.2 shows a three-day forecast form.

**Indian Hotel
Three Day Forecast Form**

Date of Forecast _____ Forecast compiled by _____

Total rooms in Hotel _____

	Tonight	Tomorrow	3rd Night
Day			
Date			
Previous Night Occupied Rooms			
- Expected Departures			
- Early Departures			
+ Unexpected Stay-overs			
+ Unoccupied Rooms			
= Rooms available for sale			
+ Expected Arrivals			
+ Walk-Ins			
- No Shows			
= Occupied Rooms			
= Occupancy %			
= Expected House Count			

Distribution: General Manager/ Front Desk/ Housekeeping/F&B Manager/
Executive Chef/ Accounts/ Sales/ Banquets/ Security

Fig. 7.2 A three-day forecast form

Daily Checklist for Accurate Room Count

- Make counts of the rack and reservations (usually twice a day).
- Check room rack against the folio bucket to find sleepers and skippers.
- Check housekeeping reports against the room rack to find sleepers and skippers.
- Check for rooms that are due out, but still have balances on their folios, especially where credit cards are the indicated source of payment.
- Check reservations for any duplication.
- Call the reservation system to make sure all cancellations were transmitted.
- Make sure that the guest is not already registered.

- Call the local airport and railway station for a report on cancellation.
- Check the weather reports for cities from which a number of guests are expected.
- Check with other hotels for duplicate reservations (especially for convention and conference bookings).
- Check arrival dates on all reservation forms to be sure none were misfiled.
- Check the room cancellation list.
- After the cut-off time, pull any reservations that were not guaranteed.
- If any rooms are out of order, check to see if they can be made up.
- At the end of the shift, log all pertinent information for the incoming staff. Good communication is essential.

Room Count Considerate

Control books, charts, computer applications, projections, ratios and formulas can be essential in short and long range room count planning. Each day the front office performs several physical counts of rooms occupied, vacant, reserved and due to check-out, to complete the occupancy statistics for that day. A computerized system may reduce the load as it continuously updates the room availability information. It is important to know for the front desk staff exactly how many rooms are available. Once procedure for gathering room count information are established, planning procedures can be extended to longer periods of time to form a more reliable basis for revenue, expenses and staff forecasting.

Evaluating Front Office Operations

This is an important management function. Without thoroughly evaluating the results, managers will not know whether the front office is achieving the planned goals. The reports are evaluated on periodical or daily basis. The important tools that the front office manager can use to evaluate achievement are as follows:

- Daily operations report
- Occupancy ratios
- Rooms revenue analysis
- Hotel income statement
- Rooms division income statement
- Rooms division budget reports
- Operating ratios and ratio standards

Daily Operations Report

It is also called the Manager's Report, Daily Report or the Daily Revenue Report, which is a summary of the hotel's financial activities during a 24-hour period. It provides a means of reconciling cash, bank account, revenue and account receivable. Rooms' statistics and occupancy ratios form an entire section of a typical daily operations report. Copies of this report are circulated to all departments.

Occupancy Ratios

It measures the success of the front office in selling the hotels primary products, i.e., guest rooms. The following data must be collected to calculate basic occupancy ratios:

- Number of rooms available for sale
- Number of rooms sold
- Number of guests
- Number of guests per room
- Net rooms revenue

Generally, all the above said data are available in the daily operations report. Occupancy Percentage, Average Daily Rate (ARR), Average Rate per Guest, Revenue per Available Room, and Multiple (Double) Occupancy Ratios can be obtained from these data. Occupancy Percentage and ADR (ARR) also appear on the daily operations report.

The night auditor computes the occupancy ratios, while the front office manager analyses the information to identify trends, patterns or problems. It should be considered that a particular condition may produce different effects. For example, if double occupancy increases, the ARR also increases as the tariff for double occupancy is higher than single occupancy and at the same time the average rate per guest decreases.

The following data of rooms division is needed to calculate occupancy ratios:

Total Number of Rooms	120
Out of Order Rooms (OOO)	02
Rack Rate	Rs 2000
Rooms Sold	83 (at varying rates)
Double Occupancy	10
Rooms Revenue	Rs 1,39,200

Occupancy Percentage

This is the most commonly used operating ratio in the front office. It indicates the proportion of rooms either sold or occupied to the number of rooms available during a specified period of time. It is important to note that, some hotels use the number of rooms sold to calculate, while others use the number of rooms occupied, including complimentary rooms or OOO rooms in calculation, which alter some vital operating ratios, e.g., RevPAR. When OOO rooms are included in the number of rooms available then the front office Managers are forced to rectify/repair the rooms and sell it as early as possible. Conversely, not including OOO rooms may allow managers to artificially increase the calculated occupancy percentage simply by improperly classifying unsold rooms as out-of-order. Some hotels do not include OOO as they are not actually sellable, also to the extent that the occupancy percentage is used to evaluate the performance of front office staff having no control over out-of-order rooms. Regardless of the approach chosen, it should be used consistently.

$$\begin{aligned} \text{Occupancy percent} &= \frac{\text{No. of rooms sold}}{\text{No. of lettable rooms}} \times 100 \\ &= \frac{83}{118} \times 100 = 70.33\% \end{aligned}$$

Multiple Occupancy Ratio

Also called *double occupancy ratio*, it is mainly used to forecast food and beverage revenue, to indicate clean linen requirements, and to analyse the average daily room rate. Multiple occupancy can be calcu-

lated by determining a multiple occupancy percentage or by determining the average number of guests per room sold or occupied (also called the *occupancy multiplier* or the *multiple occupancy factor*).

$$\text{Multiple Occupancy percent} = \frac{\text{No. of rooms occupied by more than one guest}}{\text{No. of rooms sold}} \times 100$$

OR

$$\begin{aligned} & \frac{\text{House count} \times \text{Room count}}{\text{Room count}} \times 100 \\ &= \frac{93 - 83}{83} \times 100 \\ &= \frac{10}{83} \times 100 \\ &= 12.04\% \end{aligned}$$

The average number of guest per room sold is calculated as follows:

$$\begin{aligned} \text{Average guest per room sold} &= \frac{\text{No. of guests (house count)}}{\text{No. of rooms sold}} \\ &= \frac{93}{83} \\ &= 1.12 \end{aligned}$$

Average Daily Rate (ADR)

This is also called the Average Room Rate (ARR). Most front office managers calculate an average daily rate even though the room rates vary significantly within a property.

The average daily rate for the hotel is calculated as follows:

$$\begin{aligned} \text{ADR} &= \frac{\text{Rooms revenue}}{\text{No. of rooms sold}} \\ &= \frac{\text{Rs } 1,39,200}{83} \\ &= \text{Rs } 1,677.10 \end{aligned}$$

Some hotels include complimentary rooms in the denominator to show the true effect of complimentary rooms on the average daily rate. This is sometimes called the *Average House Rate*.

Revenue per Available Room (RevPAR)

In this, the total revenue generated is divided by the number of available rooms. It measures the revenue generating capability of the hotel. Hotels with strong food, beverage, banquets and recreational facilities have RevPAR well above the ADR.

$$\text{RevPAR} = \frac{\text{Rooms revenue}}{\text{No. of available rooms}}$$

$$\begin{aligned} &= \frac{\text{Rs } 1,39,200}{120} \\ &= \text{Rs } 1,160 \end{aligned}$$

Another approach of RevPAR can be of calculating the total revenue earned by the hotel including the F&B outlets, banquets, health club and others and divided by the number of available rooms, for e.g.,

$$\begin{aligned} \text{RevPAR} &= \frac{\text{Total revenue}}{\text{No. of available rooms}} \\ &= \frac{\text{Rs } 2,20,000}{120} \\ &= \text{Rs } 1,833.33 \end{aligned}$$

Average Rate per Guest

Resort hotels, in particular, are often interested in knowing the average room rate per guest (ARG). This rate is normally based on every guest in the hotel, including children.

$$\begin{aligned} \text{Average rate per guest} &= \frac{\text{Rooms revenue}}{\text{House count}} \\ &= \frac{\text{Rs } 1,39,200}{93} \\ &= \text{Rs } 1,496.77 \end{aligned}$$

Rooms Revenue Analysis

Efforts are always taken by the front office staff to sell rooms at the rack rate, unless situation demands to offer discounted rate. Rooms that have been sold at discounted rates are listed in a report known as the Room Rate Variance Report. This report is reviewed by the front office manager to check whether the staff has followed the laid down policies and procedures of offering discounts. In the computerised system, this can be programmed and room rate variance report can be generated easily. This is one way to evaluate the effectiveness of the front office staff in selling rooms in terms of yield statistics, which is actual rooms revenue as a percentage of potential rooms revenue. We will discuss yield management in detail in a separate section.

Hotel Income Statement

This statement reveals valuable financial information of the hotel operations for a fixed period of time, e.g., monthly, quarterly, half yearly or yearly (Fig. 7.3). It provides the information about the net income for a specific period that helps in evaluating the overall success of the operations. It is an important financial indicator of operational success and profitability. This is also known as the Consolidated Income Statement as it reveals the composite picture of the entire hotel's financial operations.

The net income generated by rooms division is calculated by deducting payroll and other related expenses from the amount of revenue generated by rooms division over a specific period. The rooms division is considered the largest revenue earning centre within the hotel.

Indian Hotel						
Summary Statement of Income						
For the year ended						
	Schedules	Net Revenue (Rs.)	Cost of Sales (Rs.)	Payroll & Related Expenses (Rs.)	Other Expenses (Rs.)	Income (Loss) (Rs.)
OPERATED DEPARTMENTS						
Rooms	1	1,82,11,068		32,05,149	1420,461	1,35,85,458
Food	2	60,53,784	21,99,171	18,53,115	5,06,382	14,95,116
Beverage	3	23,36,913	4,86,774	6,17,691	2,36,349	9,96,099
Telecommunication	4	6,41,232	5,01,894	94,263	51,927	(-) 6,852
Rentals & Other Income	5	5,64,276				
Total Operated Departments		<u>2,78,07,273</u>	<u>31,87,839</u>	<u>57,70,218</u>	<u>22,15,119</u>	<u>1,66,34,097</u>
Undistributed Operating Expenses						
Administrative & General	6			6,82,905	9,94,638	16,77,543
Marketing	7			3,48,003	12,66,885	16,14,888
Property Operations and Maintenance	8			6,13,707	4,91,640	11,05,347
Utility Costs	9				16,38,993	16,38,993
Total Undistributed Operating Expenses				<u>16,44,615</u>	<u>43,92,156</u>	<u>60,36,771</u>
TOTAL		<u>2,78,07,273</u>	<u>31,87,839</u>	<u>74,14,833</u>	<u>66,07,275</u>	
Income After Undistributed Operating Expenses						1,05,97,326
Rent, Property Taxes & Insurance						19,23,087
Income Before Interest, Depreciation & Amortisation and Income Tax						86,74,239
Interest Expense						13,84,041
Income Before Depreciation, & Amortisation and Income Tax						72,90,198
Depreciation & Amortisation						16,57,203
Gain on Sale of Property						4,722
Income Before Income Tax						<u>56,37,717</u>
Income Tax						14,09,430
Net Income						<u>42,28,287</u>

Fig. 7.3 A sample hotel income statement

In the income statement, the schedule refers to the departmental income statement, for e.g., Schedule 1 is the income statement of rooms division.

Rooms Division Income Statement

This rooms division income statement is made by the finance department of the hotel and not by the front office cash. The figures are obtained from various sources. They are shown in Table 7.1.

Table 7.1 Obtaining figures from various sources

Figures	Sources
Salaries and Wages	Attendance Card/Payroll referred
Commission	Travel Agency Billing
Contract Cleaning	Supplier Invoice
Guest Transportation	Invoice
Laundry	Housekeeping
Linen	Supplier Invoice
Operating Supplies	Supplier Invoice
Reservation Expenses (fees for CRS)	Reservation System Invoice
Other Operating Expenses	Supplier Invoice (equipment rental etc.)

With the help of rooms division income statement, the Front Office Manager determines the action plan in terms of revenue and services. Figure 7.4 shows a sample of rooms division income statement.

Indian Hotel	
Rooms Division Statement of Income	
For the year ended	
	Current Period
Revenue	Rs. 61,24,991
Allowance	54,635
Net Revenue	60,70,356
Expenses	
Salaries & Wages	8,85,919
Employees Benefits	2,12,464
<i>Total Payroll & Related Expenses</i>	<i>10,68,383</i>
Other Expenses	
Cable/Satellite Television	20,100
Commissions	66,775
Complementary Guest Services	2,420
Contract Services	30,874
Guest Relocation	1,241
Guest Transportation	48,565
Laundry & Dry Cleaning	42,495
Linen	12,140
Ope	1,22,600
Reservations	40,908
Telecommunications	12,442
Training	7,122
Uniforms	60,705
Other	5,100
<i>Total Other Expenses</i>	<i>4,73,487</i>
<i>Total Expenses</i>	<i>15,41,870</i>
Departmental Income (Loss)	Rs. 45,28,486

Fig. 7.4 A sample of rooms division income statement

Room Division Budget Reports

Generally, the finance division of the hotel makes monthly budget report to compare the actual revenue and expenses with the budgeted figure. This report helps the front office manager to take corrective action, if any, for effective operation of the department.

This report shows monthly as well as year-to-date variances for all budgeted items. This also represents both the amount and the percentage variances. Variance may be categorised as favourable and unfavourable. Figure 7.5 shows an example of rooms division budget report.

Indian Hotel				
Budget Report – Rooms Division				
For January, 2006				
	Actual	Budget	Variances	
			Rs.	%
<i>Revenue</i>				
Room Sales	Rs. 15,62,400	Rs. 14,50,800	Rs. 1,11,600	7.69
Allowances	4,370	3,000	(1,370)	(45.67)
Net Revenue	15,58,030	14,47,800	1,10,230	7.61
<i>Expenses</i>				
Salaries & Wages	2,08,260	1,88,210	(20,050)	(10.65)
Employee Benefits	40,150	57,910	17,760	30.67
Total Payroll & Related Expenses	2,48,410	2,46,120	(2,290)	(0.93)
<i>Other Expenses</i>				
Commissions	4,370	7,520	3,150	41.89
Contract Services	9,210	8,730	(480)	(5.50)
Guest Transportation	17,500	12,000	(5,500)	(45.83)
Laundry & Dry Cleaning	12,180	9,750	(2,430)	(24.92)
Linen	19,060	18,750	(310)	(1.65)
Operating Supplies	19,370	13,480	(5,890)	(43.69)
Reservations	17,340	20,120	2,780	13.82
Uniforms	3,740	2,920	(820)	(28.08)
Other Operating Expenses	5,150	6,720	1,570	23.36
Total Other Expenses	1,07,920	99,990	(7,930)	(7.93)
<i>Total Expenses</i>	3,56,330	3,46,110	(10,220)	(2.95)
<i>Departmental Income</i>	Rs. 12,01,700	Rs. 11,01,690	Rs. 1,00,010	9.08

	Favourable Variance	Unfavourable Variance
Revenue	<i>Actual exceeds budget</i>	<i>Budget exceeds actual</i>
Expenses	<i>Budget exceeds actual</i>	<i>Actual exceeds budget</i>

Fig. 7.5 An example of rooms division budget report

Operating Ratios

Operating ratios help the front office manager in evaluating the performance of the department by comparing the income with the expenditure, and if necessary, corrective measure needs to be taken to reduce cost on different heads but of course without sacrificing guest service (Fig. 7.6). Operating ratios have meaning only when they are compared with the following:

1. Planned ratio goals

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2. Previous ratio data
3. Industry average

Rooms Division Operating Ratios				
	Net Revenue	Payroll & Related Expenses	Other Expenses	Departmental Income
% of total hotel revenue	X			
% of departmental revenue		X	X	X
% of departmental total expense		X	X	
% of total hotel payroll and related expenses		X		
% change from prior period	X	X	X	X
% change from budget	X	X	X	X
per available room	X	X	X	X
per occupied room	X	X	X	X

Fig. 7.6 Rooms division operating ratios

Planning is probably the most important management function. Without complete planning, productivity may be extremely low. Without the direction and focus planning provides, the front office manager may become overly involved with tasks that are unrelated to or inconsistent with accomplishing the hotel's objectives. Using the planned goals as a guide, a front office manager performs an organising function when dividing the work among the front office staff fairly. Organising includes determining the order in which tasks are to be performed and when each group of tasks should be completed.

Three important front office planning functions are establishing room rates, forecasting room availability and budgeting for operations. Hotels normally have several different room rates. The rack rate is listed on the tariff card to inform the front desk staff of the standard selling price of each guest room in the hotel. The front office employees are expected to sell rooms at the rack rates, unless a guest qualifies for an alternate room rate. Establishing rack rates for room types and determining discounts categories and special rates are major management decisions.

III BUDGETING

Budgets are 'financial and for quantitative statements, prepared and approved to a defined period of time, for the policy to be pursued during that period for the purpose of attaining a given objective'. Budgetary control is defined as 'the establishment of budgets relating to the responsibility of executives to the requirements of a policy, and the continuous comparison of actual with budgeted results, either to secure by individual action the objective of that policy or to provide a basis for its revision'.

Budgeting for Operations

The most important long-term planning in the front office is budgeting. The hotel's annual operations budget is a profit plan that addresses all the revenue sources and expenses items. Annual budgets are commonly divided into monthly plans that in turn are divided into weekly (and sometimes daily) plans. These budget plans become standards against which management can evaluate the actual results of operations. Normally, room revenue is greater than any other services offered in the hotel and the profit

achieved is also greater. So an accurate front office budget is vital to create the overall budget of the hotel. The budget planning process requires close coordinated efforts of all management personnel. The finance division is responsible for coordinating the budget plans of individual departmental managers into a comprehensive property-wide operations budget for top management review.

The primary responsibility of the front office manager in budget planning are forecasting rooms' revenue and estimating related expenses. Rooms revenue is forecasted with input from the reservations manager while expenses are estimated with input from all departmental managers in the rooms division.

Objective and Advantages of Budgets

The most important function of budget and budgetary control is to help the business achieve its objectives in accordance with the stated policy. A system of budgetary control, however, achieves more than this. When budgets are being formulated, the opportunity should be taken to combine the ideas and suggestions of all those responsible for the budgets. It should be ensured that there is free expression of views of all those who are involved and full participation by all concerned.

Most hotels and catering establishments are highly departmentalized. Yet, it is essential that the whole business work as one coherent unit. Coordination of the work of all the revenue-producing and other departments is therefore essential. Here, the head of the budget committee has the specific duty to ensure that the highest degree of interdepartmental coordination is achieved. One of the most important tasks of the system of budgetary control is to select appropriate yardstick for measuring performance. Such yardsticks or targets will take different forms depending on the nature of each department. In the revenue-producing departments, the targets set to managers will be expressed in terms such as turnover, hotel and restaurant occupancy, average room rate, average spending power, departmental profit, gross profit, etc. In non-revenue producing departments, emphasis will be placed on cost ceilings in relation to all departmental expenditure.

Finally, budgetary control enables the business to make the fullest use of its resources. The sales budget will, amongst others, predetermine the level of activity over the next budget year and thus show what spare capacity will exist over that period. It will then be necessary to decide how it is possible to convert such spare capacity into additional revenue. Appropriate pricing devices and sales promotion techniques may then be used to achieve this objective.

Preparation of Front Office Budget

The starting point in the process of budgeting is the preparation of the sales budget. The sales budget is the most critical budget because the volume of sales has an important bearing on all variable and semi-variable costs, as indeed on cash inflows and outflows of the business. It is clear, therefore, that there is no point in attempting to prepare any budget unless and until the sales budget has been prepared.

Before the preparation of the sales budget, it is essential to examine all the key factors (also known as limiting factors). These are factors that operate to limit the volume of output/sales. It is found, of course, that in market-oriented business, the most important key factors operate on the revenue, rather than the cost side of the business. Thus, whilst in cost-oriented business, key factors such as shortage of materials, non-availability of skilled staff and general staff shortage are often the most critical key factors, in market-oriented business such key factors are of secondary importance.

Principal Factors to be Considered in Preparation of Budget

The following are the factors that play a key role while preparing front office budget.

Accommodation Available

This is one of the most critical key factors operating in hotels. When all the rooms are sold, it is impossible to increase the volume of room sales except through an increase in the room rates. When the sales budget is being prepared, it is essential to examine patterns of occupancy to establish what level of room sales may realistically be expected during the forthcoming budget year. Where there is a high degree of room sales instability, evidenced by pronounced swings in the occupancy rates, it is desirable to examine the possibility of shifting demand from peak to off-peak periods.

Economic Forecast

This will illustrate the general business conditions, both locally and nationally, including the general economic climate, political/governmental climate, proposed/likely pending legislative changes or alterations to present laws that may together or in part have an effect on the hotel's business, either directly or indirectly through its guests.

Shortage of Staff

This particular key factor is potentially powerful, but there is no evidence that it exerts much influence on the volume of hotel sales. In some locations staff shortage may, in fact, be a severe limiting factor. It seems that such locations are rather exceptional.

Irregular Operational Changes

Although more significant items such as maintenance and repair will be incurred under a particular plan that may stretch for three, four or five years. The scheduling of such expenditure is still reviewed when budgeting to include unusual items; for example, complete change in linen, china, or other major capital items. Each department of the hotel is required to justify abnormal items and management to assess their effect on operations and to decide on which items to sanction and which to defer. Major expenditure may necessitate the borrowing of funds.

Tariffs

Once the current year's operation has been reviewed together with the factors that may affect future business, the management examines the rate structure within the hotel, including rooms, food and beverage and other services provided. The governing factors, when such reviews take place, is the determination of the right price in order to obtain a maximum return from its facility—that is the maximum rate available without a major reduction in volume. Each rate is examined individually to ensure that this maximum is possible.

Quality of Management

This is an important key factor. Its operation is not, however, evident over shorter periods. Over long periods, of course, the quality of management will have a direct and powerful influence on the volume of sales.

Consumer Demand

Consumer demand is often found to be a potential key factor. Its operation may be due to several reasons. The price level of the establishment may be too high, and this may result in a low ASP (Average Spending Power). Where the price level is thought to be the reason for insufficient consumer demand, it is essential to subject all the tariffs and menus to thorough scrutiny, and examine room sales, menu items offered to customers, as well as the profit margins. Insufficient consumer demand may also be due to competition. In order to remedy this, it is imperative to examine the external environment of the business. Where insufficient consumer demand obtains over long periods, it is essential to undertake a thorough re-appraisal of the whole marketing policy in relation to the existing location.

Other Key Factors

In addition to the key factors dealt with above, several other factors may operate to restrict the volume of sales. Insufficient capital may make it impossible for a company to acquire further units and thus increase its turnover. For the same reason, an establishment may find it difficult to maintain its facilities at an appropriate level of comfort, etc., through insufficient expenditure on repairs, replacements and other items that add to the décor and atmosphere of the establishment. Management may, as a result of its own policy, exclude certain types of customers. From what has been said, it will be clear that there are a variety of key factors. It is for each establishment to identify the key factors limiting its sales and take steps to remove their negative effect on the volume of sales.

Forecasting Rooms Revenue

Financial information of previous years often serves as the foundation on which rooms revenue is forecasted. One method of rooms revenue forecasting involves analysis of rooms revenue from past studies. One such example is shown in Table 7.2.

Table 7.2 Rooms revenue summary for Hotel A—an example

ROOMS REVENUE SUMMARY FOR HOTEL A			
Year	Rooms Revenue	Increase in Rooms Revenue	% Increase
1999	Rs. 10,00,000	—	—
2000	Rs. 11,00,000	Rs. 1,00,000	10%
2001	Rs. 12,10,000	Rs. 1,10,000	10%
2002	Rs. 13,31,000	Rs. 1,21,000	10%

The data in Table 7.2 shows yearly increase in the net rooms revenue for the hotel. From 1999 to 2002, the amount of rooms revenue increased from Rs 10, 00,000 to Rs 13, 31,000, reflecting a 10 per cent yearly increase. In future, conditions appear to be similar to those of the past, the rooms revenue for 2003 would be budgeted at Rs 14,64,000—a 10 per cent increase over 2002 amount.

Another approach to forecasting rooms revenue based on the revenue projection on past rooms sales and average daily rooms rates. The above statistics is of Hotel B that has 120 rooms. Table 7.3 shows the occupancy percentage increased by 3 percent in 2000. One percent in 2001, and 1 percent in 2002. The average daily room rates increased by Rs 40, Rs 40 and Rs 60 respectively over same periods. Considering the future conditions to be similar, a rooms revenue forecast for 2003 may be based on 1

percent increase in occupancy percentage (to 76%) and Rs 60 increase in the average daily room rate (to Rs 1,200). Given these projections, the following formula can be used to forecast rooms revenue for the following year:

Table 7.3 Rooms revenue statistics for Hotel B—an example

ROOMS REVENUE STATISTICS FOR HOTEL B				
Year	Rooms Sold	Average Daily Rate	Net Rooms Revenue	Occupancy
1999	30,660	Rs. 1,000	Rs. 3,06,60,000	70%
2000	34,974	Rs. 1,040	Rs. 3,32,52,960	73%
2001	32,412	Rs. 1,080	Rs. 3,50,04,960	74%
2002	32,850	Rs. 1,140	Rs. 3,74,49,000	75%

Forecasted rooms revenue

$$\begin{aligned}
 &= \text{Rooms available} \times \text{Occupancy \%} \times \text{Average daily rate} \\
 &= (120 \times 365) \times \frac{17.6}{100} \times \text{Rs } 1,200 \\
 &= 43,800 \times 0.76 \times \text{Rs } 1,200 \\
 &= \text{Rs } 3,99,45,600
 \end{aligned}$$

This simplified approach to forecasting rooms revenue is intended to illustrate the use of trend data in forecasting. A more detailed approach would consider the variety of different rates corresponding to the room types, guest profiles, days of the week and seasonality of business. These are just a few factors that may affect rooms revenue forecasting.

Estimating Expenses

Most of the expenses of the front office are direct expenses. They vary in proportion to the rooms' revenue. Past statistics is used to calculate the percentage of rooms' revenue that each expense item may represent. These percentage figures are applied to the budgeted rooms revenue to estimate the expenses.

Table 7.4 Expense categories as percentage of rooms revenue for Hotel B—an example

EXPENSE CATEGORIES AS PERCENTAGE OF ROOMS REVENUE FOR HOTEL B				
Year	Salary and Wages	Laundry, Linen and Guest Supplies	Commission and Rsv. Expenses	Other Expenses
1999	16.5%	2.6%	2.3%	4.2%
2000	16.9%	2.8%	2.5%	4.5%
2001	17.2%	3.0%	2.6%	4.5%
2002	17.4%	3.1%	2.7%	4.6%

The data in Table 7.4 shows the most common front office expenses. When these costs are summed up and divided by the number of occupied rooms (room count), the cost per occupied room is determined. Based on this data, the percentage of rooms revenue for each expense category is projected for the budgeted year 2003.

Salary and Wages	17.6 %
Laundry, Linen and Guest Supplies	3.2 %
Commission and Reservation Expenses	2.8 %
Other Expenses	4.7 %

Using these, the expenses can be calculated as follows:

Salary and Wages

$$\text{Rs } 3,99,45,600 \times \frac{17.6}{100} = \text{Rs } 70,30,425.60$$

Laundry, Linen and Guest Supplies

$$\text{Rs } 3,99,45,600 \times \frac{3.2}{100} = \text{Rs } 12,78,259.20$$

Commission and Reservation Expenses

$$\text{Rs } 3,99,45,600 \times \frac{2.8}{100} = \text{Rs } 11,18,476.80$$

Other Expenses

$$\text{Rs } 3,99,45,600 \times \frac{4.7}{100} = \text{Rs } 18,77,443.20$$

From the above figures, it is evident that there is a rise in cost that will reduce profitability. Therefore, one of the outcomes of the budget processes will be to identify where the costs are rising and why they are rising. So, a plan can be developed to control them. Since most front office expenses vary proportionately with rooms revenue (and therefore occupancy), another method of estimating these expenses is to estimate the variable costs per room sold and then multiply these costs by the number of rooms expected to be sold.

Refining Budget Plans

Departmental budget plans are commonly supported by detailed information gathered in the budget preparation and recorded on worksheets and summary files. These documents should be saved to provide an explanation of the reasoning behind the decisions made while preparing the departmental budget plans. Such records may help resolve issues that arise during the budget review. These support documents may also provide valuable assistance in the preparation of future budget plans.

If no historical data are available for budget planning, other sources of information can be used to develop a budget. For example, corporate headquarters can often supply comparable budget information to its chain affiliated properties. Also, national accounting and consulting firms usually provide supplemental data for the budget development process. Many hotels refine expected results of operations and revise operational budgets as they progress through the budget year. Reforecast is done when there is a significant variance between the budgeted and actual figures. Such variance may indicate that conditions have changed and hence the budget plan should be refined and reconsidered.

YIELD MANAGEMENT

Hotels have always charged different rates for different types of rooms and the rates vary according to season or the time-period. Rates also vary within a week. Ideally, two guests staying in similar rooms on the same night pay the same rate.

Things began to change during the 1960s, when airlines began to offer significant discounts to attract more and more number of passengers. Other large transport organisations, such as the railways, quickly copied them, and the fair structure became very complicated. The airline industry instituted the first use of yield management after deregulation in the late 1970's. They blocked out certain time-periods when seats on flights were priced at certain levels; the potential passengers either booked the flight at the price quoted or found other means of transportation. This bold marketing policy met with some problems, but established the economic structure of airfares.

Hotels have similar operational features like airlines. What is true for airlines and railways is also true for hotels, for they too cater for a range of different market segments. It has a fixed number of products that if not sold on a certain day, cannot be resold. Most of the hotels accommodate a mixture of business travelers and holidaymakers, and large hotels are likely to add group tour members, conference delegates, transfer passengers and airline cabin crew on stopovers, to name but a few. Some of these guests may charge their bills to company accounts, while others may pay for themselves. Members of the first group will not be concerned about the rates of the accommodation, while the members of the second group have learned that they can offset their weaker purchasing power either by joining together, or by booking much further in advance, or by a combination of the two. The result is that modern hotel tariffs can be just as complicated as passenger transport ones. Just as passengers in adjoining plane or train seats may have paid different amounts for their tickets, guests in identical adjoining rooms may be paying markedly different rates, even though they are enjoying the same services and facilities.

Hotels sell rooms to market segments that have distinct needs in product and service level. It has demand periods that places the provider in a favourable position. Hotels have various rates for guests to choose from. Reservation is the key operation that allows managers to use yield management. By using computers to track a database of products (rooms) and to process, reservations has the ability to look at a sales horizon of 45 to 90 days and to set price and reservation policies that will allow managers to predict profitability.

The point of advantage in the hotel industry is that the guest of the hotel will spend a huge amount of money other than spending for rooms. Yield management comes into effect when, for example, one group requests to block a group of hundred rooms with a Rs 2,00,000 value may also want to book banquets and other food service events that total upto Rs 1,00,000; while another group may want to book a block of 150 rooms with a value of only Rs 3,00,000.

Since yield management is management in terms of maximizing revenue generation, it can also be called *revenue management or revenue enhancing technique*. The hotel's aim should be 'high-profit business rather than just high-volume businesses'. It is a set of demand forecasting technique used to determine whether the prices should be increased or decreased, and whether a reservation request should be accepted or rejected with an aim to achieve the maximum revenue. Yield management combines occupancy percentage and ADR (ARR) into a single statistics – *YIELD*.

Yield is the ratio of income that could be secured if 100 percent of available rooms are sold against their full rack rate.

Yield management is a process of planning to achieve maximum room rates; (and from most profitable guests) that encourage the front office managers, general managers and marketing and sales managers to target sales periods and develop sales programs that may maximize profit for the hotel. The effectiveness of a hotel at selling its rooms at the highest rate available (possible) to the most profitable guest is called *yield percentage*.

Defining Yield

Previously, occupancy percentage was a traditional concept and it was used to try and achieve 100 percent occupancy. Using this concept, a certain percentage of the rooms may have been sold. From the above table, we can see that both the hotels have sold the same number of rooms (80 percent), but their revenue realised is different. Implementing yield concept, we see, that the second hotel has done a better business (the rack rate for all the rooms is Rs 3000) than the first one. Here, the revenue realized is the actual amount of rooms' revenue earned. Revenue potential is the rooms' revenue that could be earned if all the rooms were sold at the rack rate. The ARR for the second hotel, which is Rs 2750, is higher than the first one, which is Rs 2500. The formula for determining yield is as follows:

$$\text{Yield} = \frac{\text{Revenue Realized}}{\text{Revenue Potential}} \times 100$$

The determination of yield provides a better measure of a hotel staff's effort to achieve maximum occupancy than the traditional view of occupancy percentage.

Figure 7.7 shows occupancy percent comparison and yield comparison.

Occupancy Percent Comparison

Hotel	Rooms Available	Rooms Sold	Rate	Income	Occupancy
ABC	500	200	Rs. 2,000	Rs. 4,00,000	80 %
		200	Rs. 3,000	Rs. 6,00,000	
		400		Rs. 10,00,000	
XYZ	500	100	Rs. 2,000	Rs. 2,00,000	80 %
		300	Rs. 3,000	Rs. 9,00,000	
		400		Rs. 11,00,000	

Yield Comparison

Hotel	Revenue Realized	Revenue Potential	Yield
ABC	10,00,000	15,00,000	66.66 %
XYZ	11,00,000	15,00,000	73.33 %

Fig. 7.7 *Occupancy percent comparison and yield comparison*

Measuring Yield

Two factors, the actual revenue (the revenue generated by sale on discounted rate) and the potential revenue (actual revenue that could be generated if all rooms were sold at rack rate), are important for calculating yield.

Calculation of potential revenue is carried out in two ways. The first method involves presuming that all the rooms of the hotel are sold on double occupancy and at rack rate; the total revenue so generated shall be called the potential revenue. In the second method of calculating potential occupancy and finally potential revenue (that gives a lower figure), the calculations are done based on the percentage of rooms normally sold on single and double occupancy. In this method, it might so happen that the actual revenue earned has surpassed the projected revenue as there was an increase in demand for double occupancy.

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There are various ways of calculating yield. The most commonly used ones in the hotel industry are as follows:

$$\text{Yield \%} = \frac{\text{Revenue Realized}}{\text{Revenue Potential}} \times 100$$

$$\text{Yield \%} = \text{Occupancy percent} \times \text{Achievement factor}$$

$$\text{Achievement factor} = \frac{\text{Actual average room rate}}{\text{Potential average room rate}}$$

Instead of computing yield as percentage, a revenue per available rooms focused formula can be used as follows:

$$\text{Revenue per available room (RevPAR)} = \frac{\text{Actual room revenue}}{\text{Available room}}$$

Yield is preferably calculated in terms of percentage, instead of decimal, e.g., out of 1000 gm potato, you get 800 gm usable potato after peeling, and you say your yield is 800 gm. It does not carry any meaning, where as if you say, the yield is 80 percent, it makes sense.

Goal of Yield Management

The goals of yield management are twofold:

- To maximize profit for guest room sales
- To minimize profit for the hotel services

These are important to understand because if they set out to only maximize room sales, the 'most profitable guest' may not stay in the guest room.

Potential High- and Low-demand Tactics

Hotels need to determine revenue management strategies for both high and low demand periods. A simple policy for developing strategies to implement yield management is when demand is high, maximize room rates and when demand is low, maximize room sales (occupancy). When demand is high, the right sales mix of the market segments are to be determined in order to sell the rooms at the maximum possible rates. In this period, normally, availability of low rates categories and packages are restricted or closed to transients. A minimum length of stay is to be defined. Rooms are to be committed only to those willing to pay higher rates. When demand is low, the reservation agents are to be provided with special promotional rates to offer to transients who balk at standard rates. Group business is to be solicited from organisations and segments that are characteristically rate-sensitive. There should be a sincere effort to maintain high room rates for walk-in guests.

Reaction to Variations in Demand to Maximise Yield

Whatever might be the management techniques, the actual bookings are likely to fluctuate unexpectedly. Figure 7.8 gives an idea of the amount of reservation request received in a span of 12 months ahead for one particular night, for all the available rooms. The straight line represents the anticipated booking pattern, whereas the curved line shows the actual amounts of advance booking received.

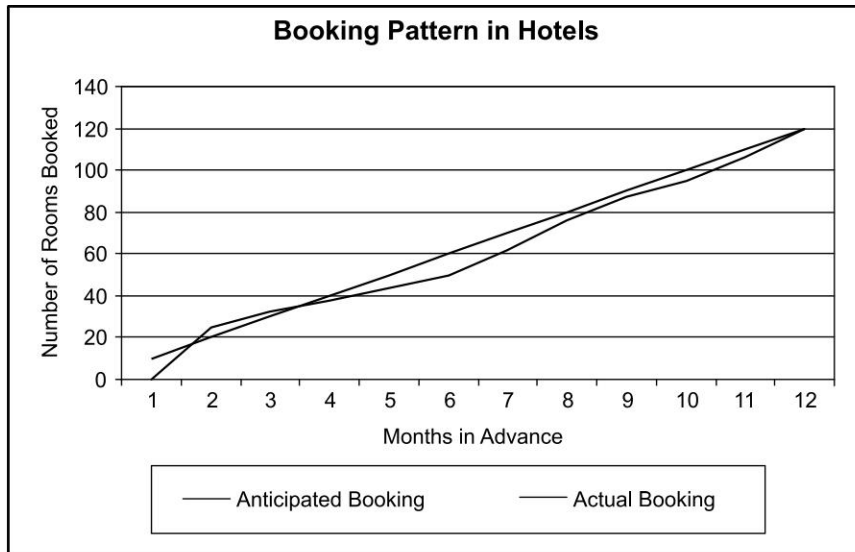


Fig. 7.8 Booking patterns in hotels

Comparison between forecasted and actual bookings can be used to formulate proper rate adjustments. In this example, the hotel could have reacted to the unexpectedly high demand in the period, 10 months ahead of the booking date by raising its average rate. It might have done this by

1. Reducing the discounts offered to travel agents and other intermediaries
2. Reducing the number of 'leisure' bookings accepted by 'closing out' the lower rates, in the expectation that these would be replaced by higher yield 'business' bookings

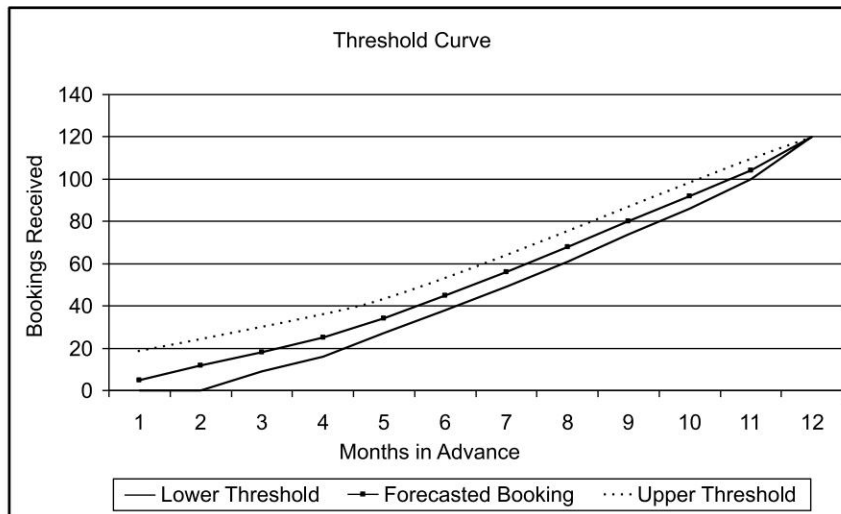


Fig. 7.9 Threshold curve

Similarly, when demand began to show signs of falling in the period, six months ahead of the booking date, the hotel could have taken remedial action by increasing discounts and accepting more 'leisure' bookings, in other words 'opening up' the lower rates. This kind of flexibility requires rapid reaction on the part of the hotel. In reality, the nature of bookings accepted or received in a month is never a straight line, and always represent a curve and normally deviate from the graph of anticipated booking. Small variations in the number of booking taken in any one month are only to be expected and are not too important. It is only necessary to take action when the variation is substantial. Therefore, hotels practicing yield management tend to make use of 'threshold curves', as shown in Fig. 7.9. In this case, action would only be triggered if the bookings fell outside the band between the upper and lower 'threshold' values.

Booking Horizon

Holiday guests generally make their bookings much further in advance than business travellers do. This is mainly because holidays are planned in advance, whereas many business trips have to be arranged at a short notice. This lengthy 'time horizon' is particularly true of the group tour business. In this case, organisers often book large blocks of rooms long before they actually sell them to their customers. This fact need to be considered while scrutinizing the demand for hotel rooms of the market. On the other hand, leisure bookings are generally more price-sensitive than business bookings. The main reasons for this are as follows:

- Leisure booking are made by the individuals and normally they are paid by the holidaymakers themselves.
- Holiday travel is less dependent upon location than the business kind.
- The longer leisure booking time horizon allows the holidaymaker to go 'bargain hunting'.
- Very competitive bargaining over rate is characteristic of group tour operators and large conference organisers.

Framework of Yield Management—Tools and Strategies

Yield management emphasizes on the achievement of high rates on high demand days and high occupancy when demand is low. The focus of yield management is to maximise revenue EVERY DAY, not just for a particular season or period.

The framework of yield management consists of the following four steps:

1. Forecasting
2. Systems and procedures
3. Strategies and tactics
4. Feedback

Forecasting of Bookings

An important aspect of yield management is forecasting room sales. If a hotel wants to take effective avoiding action in such circumstances, it must be able to forecast the final level of booking. Using a daily-decision orientation rather than a seasonal decision-making scheme in developing a particular strategy is more effective in yield management. Accurate forecasting of transient demand will assist hoteliers in developing strategies to maximize sales. One way of doing this would be to take each market segment in turn. However, experience suggest that the best approach is to try to predict the total number

of guests expected, and then break this down into different segments in the light of previous experience. Since this ‘top-down’ approach is working with larger numbers than those for any individual segment, it tends to be more successful. An analysis that always uses the most recent set of nights is known as a ‘moving average forecast’. The equation for a four-year moving average for demand of next year is as follows:

$$F_{(v+1)} = \frac{D_{(v)} + D_{(v-1)} + D_{(v-2)} + D_{(v-3)}}{4}$$

where

v is the current year

F is the forecast demand

D is the actual demand for the equivalent night in the year indicated

The moving approach suffers from the disadvantage that it gives equal weight to each of the years in the calculation, including the one furthest away from the present day. A technique called ‘exponential smoothing’ can be used to produce forecast in the light of the most recent results. The formula is as follows:

$$F_{(v+1)} = \alpha D_{(v)} + (1 - \alpha)F_{(v)}$$

where

v is the current year

F is the forecast demand

D is the actual demand for the equivalent night in the year indicated

α is a ‘smoothing constant’ between 0 and 1

The effect of the smoothing constant is to emphasize on the most recent results. The larger it is, the more weight is given to that result. The problem hotels face is that the demand is not only seasonal but varies from one day of the week to another; the only real basis of analysis is the same night last year, the year before and the year before that. Each night in the series is thus twelve months apart, and a lot can happen in that period. For example there can be:

- Changes in the economic environment, such as booms or slumps.
- Fluctuations in exchange rates.
- Security threats, whether real or imagined.
- ‘One-off’ local events, such as major events.
- The hotel’s marketing activities, such as advertising campaigns or special promotions.
- A change in the competitive position, such as the opening of a major new hotel nearby.
- Weather conditions, both locally and nationally.
- Airlines schedules and services.
- Limitations of the property.
- Overbooking policy.

It is more usual to combine their predictions with what are called ‘judgmental’ inputs to produce the final forecast. This is usually done by a yield management team, including the front office manager. The team’s task is to look at whatever forecast the statistical techniques might have produced, and then modify this in the light of new factors like the ones listed above.

Systems and Procedures

A computerised system aids the communication of forecast information from the yield management team to relevant departments of a property and in some cases between properties and booking agencies

or central reservation systems. A computerized system allows 24-hour input of information and a link-up to enable efficient circulation of current information. The yield management team and/or analysts can, in some cases, enter the system directly and make phantom bookings. This is done so as to close a rate level in order to stop any reservations clerk or booking agencies selling any more rooms at that particular rate.

The information from the yield management team regarding the various rate levels per number of rooms is input into the computer system. The customer makes a telephone inquiry and the reservations clerk, working from the VDU screen, first looks at the days required and then checks the room availability. The reservation clerk, using the basic up-selling skills (see strategies and tactics in point number 3), will always offer the highest priced room and work down, in an attempt to not lose any potential revenue.

However, the system needs to be flexible in order to accommodate the 'regular' customer who will expect a continuation of their corporate or 'special' rate. This flexibility is necessary to maintain goodwill especially for the long-term customer. It is vital that the hotel must remember to retain a human side in yield management. The system cannot take over the role of the manager and many situations may still require to be handled on a case-by-case basis.

Strategies and Tactics

The two main aims of the yield management are as follows:

- On high-demand days, maximise average room rate to increase revenue.
- On low-demand days, maximise occupancy and average room rate.

On high-demand days, the team will plan for transient reservations (a guest that is not part of a group booking). They will determine the correct mix of market segments so as to sell out at the highest rates possible, e.g., the 'walk-in' businessman who will pay the highest rate for the privilege of walking in off the street at the last minute and be able to book a room. Once the mix of market segments has been decided, the team will assign a number of rooms to each segment of the mix.

Room reservation tactics

A hotel has 100 rooms, and allocates the following numbers of rooms to each market segment:

Rate levels

No. 1 (highest)	100 rooms
No. 2	50 rooms
No. 3	40 rooms
No. 4 (lowest)	30 rooms

This means that at all times, a 100 per cent of the rooms will be held for rack rate guests. However, in reality a hotel will always have a number of guests on corporate or special rates. Thus, the practicality of the situation may dictate that 80 percent of rooms are ALWAYS kept for rack rate guests, leaving 20 percent for necessary discounted rates. Similarly, the rate levels reflect that only 30 percent of the rooms will be ever being available for the cheapest of rates.

The operating procedure is simple. The reservations clerk will monitor the pick-up of each room category as they progress through the lead-time to the day of arrival. If they find, unexpectedly, that the high rate categories are filling up faster than anticipated, this would mean that they would close out the lower rates.

Thus, this strategy restricts low profit categories such as sports teams or mass tours. The YM team may also require minimum stays to prevent the early departure factor. Also, it helps the hotel to fill on downtimes such as weekends. For example, a minimum of two nights stay is required as long as one night is a Saturday or Sunday.

The team will also plan for group bookings that fall on high-demand days. First of all, the hotel will only sell to groups who are willing to pay higher rates and provide high occupancy per room. A tactic that is often used is to only sell to a group who book meeting space and hospitality suites as well as their accommodation; thus encouraging the guests to stay in-house for meals to use the bar and other facilities. For more price-sensitive groups, the YM team will attempt to allocate their booking in low-demand dates, this is particularly relevant for local clients who want to book function space for a dinner dance or meeting and who wish to have overnight accommodation.

Sales strategies

It was mentioned earlier that the reservations department is expected to sell the highest rated rooms first. This means to always quote rack-rate. However, it is acknowledged that for many reservations staff, this form of hard sell is difficult, accordingly reservations staff are encouraged to undertake an alternative approach known as up-selling. The reservations assistants may offer a standard room first and then offer a more luxurious room at a slightly higher price or offer 'extras' for a minimum cost. For example, an upgrade of an Rs 3,000 per night standard could be sold by stating that for a slight increase in price, i.e., Rs 3,500 the guest can have a deluxe room, while for only Rs 4,000 per night breakfast is included. The guest may be offered an upgraded room at a lower rate than normal, however, it is good practice to inform the guest that it is a 'once-off deal', a gesture of goodwill, so the guest does not expect that rate every time they book. The benefit of this practice is that the hotel gets a higher average room rate and at the same time gives the guest the opportunity of staying in a better room, with the possibility that they would like the room sufficiently to continue to book that grade of room.

Feedback

Feedback enables the team to judge the accuracy of their forecasts and form the subsequent months' and years' historical data. More importantly, it gives the team an indication of the responsiveness of the organisation's reservation system to their strategies and also the effectiveness of their strategies in response to market demand.

The monitoring of denials (the guest cannot stay because there are no rooms available) and conversions (the guest who enquires about a room and is persuaded to reserve that room) helps this effort. Feedback allows everyone involved in yield management to keep updated on strategies and information as well as acting as a mechanism for praise and assessing individual or departmental performance. These are the structures and basic systems of yield management, but to implement them in a hotel requires a yield management team.

Yield Management Operations Team

Before an effective yield management system can be put into place and used, it is necessary to have an operations team. They will be the driving force behind the successful implementation of yield management and will be the group of people who regularly meet to forecast the forthcoming business of the hotel.

The yield management team typically consists of the rooms division manager, the sales manager and the reservations manager. This does not mean that anyone else is excluded, but for a speedier and more effective decision-making progress, it is wise not to make the management team too big. In some hotels, the general manager likes to be involved or the front office manager may take the place of the reservations department. However, the original three would tend to make the best team. The rooms division manager has the overall control of the department with targets for maximizing both occupancy and revenue. The sales department must be a part for it as they go out on a daily basis to sell the hotel rooms, and while they are fully aware of the need to maximize revenue, their primary thrust is to get bodies into the hotel. Thus, by working with the forecast team it ensures that the sales and marketing staff are fully informed as to the peaks and troughs of the hotel's business. The last but probably the most important member of the team is the reservations section. The reservation manager is the person who has a complete understanding of all of the hotel's bookings, the future booking patterns and the past histories of the hotel's arrivals and occupancies, and who is most up-to-date with bookings.

The role of the yield management operations team is fourfold:

- To predict demand
- To assign rooms to transient reservations
- To open or close rates as seen fit
- To conduct feedback sessions

The principal role of the team is to predict the demand for rooms into the foreseeable future. It is insufficient to simply take last year's figures and adjust by an agreed percentage figure. The question that now has to be asked is 'what would be our mix of market segment if we were to maximize yield?'

It is now generally accepted that what was a successful formula for filling bedrooms a few years ago is now wrong for today's hotel market mix. Thus, it is up to the team to constantly remind each other of the fact that neither the customer nor their expectations remain static. By trying to predict demand, the team assesses what has happened in the past; the time of year, the weather, any exceptional circumstances that surrounded bookings for then and so on. They then look into the future for any similar occurrences that could affect, either positively or negatively, the booking of hotel rooms. While no one can accurately predict what the future may hold, it is still better to conduct such predictions and to make management decisions with limited information than with no information at all.

Once a fair estimate has been made of the room requirements for both the near and distant future, the team then has to allocate the right amount of room inventory, i.e., number of rooms to the various market segments. This is done by discussing, reasoning and deciding what groups will arrive; their room requirements; what will be the volume of corporate rate business; how many walk-ins will arrive, etc. All of these imponderables are examined and with them, the historical data that the management has amassed. The yield management team decides which classes or levels of rates to open or close.

Another aspect of the yield management team's work is to conduct feedback sessions. These sessions are necessary to help judge whether or not the forecasts have been accurate and effective. Feedback acts as a measure of responsiveness in terms of systems, strategies and the management of revenue and occupancy. It also acts as a measure of staff performance.

It is necessary for the yield management team to constantly strive to have the most up-to-date information and to react quickly to the subtle changes in the accommodation business. It is no longer sufficient to believe that a good overbooking policy is enough to ensure a full house. If all of the available data is used, then the rooms division manager can end up with a 100 per cent room occupancy but with a revenue yield that is considerably less.

Objective of Yield Management

The objective of use of yield management concept and principle is to increase profitability of the hotel where the following characteristics can be seen:

- Demand of rooms can be divided into clear market segments.
- Each of these segments is prepared to pay different amounts for their accommodation.
- The capacity supply is relatively fixed that is to say that the hotel has fixed number of rooms and instantly adding extra rooms is not possible.
- Marginal cost (cost involved in cleaning and supplies, etc. that will be incurred only if the room is sold, otherwise not) of selling an additional room is low.
- Where rooms are reserved in advance.
- Demand for rooms fluctuates and cannot be predicted with a high degree of certainty.
- Physically identical products (same type of rooms) can be sold to different market segments for different booking conditions at different prices.

Benefits of Yield Management

Amongst the various benefits for the hotel that yield management gives, some are as follows:

- Improved forecasting
- Improved seasonal pricing and inventory decision
- Identification of market segment demand and identification of new market
- Increased coordination between the front office and sales department
- Determination of discounting policies
- Improved development of business plans
- Establishment of a value-based rate structure

Demand forecasting strategies are applied to reservation system, information system, room and package pricing, room and revenue management, full season rate determination and special rates for tours operators, travel agents and groups, etc.

Rooms Sales Mix Projection

It is a future forecast of room sales mix, i.e., the forecast as to what percentage of the total rooms will be sold on double occupancy and what percentage of the total rooms will be sold on single occupancy. Capacity management forecast, or in other words, controlling and limiting room supply, is the process of overbooking to balance the risk of overselling against possible loss of revenue arising from the following:

- Early check-outs
- No-shows
- Cancellation
- Spoilage (rooms going unoccupied)

Overbooking is important to ensure that the best market mix of customers is achieved. Capacity management is determining how many walk-ins to accept (against expected no-shows and cancellations) on that particular day of arrival. As a general rule, more overbooking of lower priced rooms should be done, because upgrading to higher priced rooms is an acceptable solution to an overall problem, i.e., if the room is not available, a higher priced room can be given to the customer. The amount of such overbooking depends of course on the demand for higher priced rooms.

Capacity Management

Capacity management in the hospitality industry is measured by considering not only the maximum capacity of customers at a given time but also the capacity that can be achieved over time. Considering the hospitality management system, customer demands are matched in terms of volume, expectations in terms of variety, and that all stages of the various systems followed are in balance. Considering these facts, the operational manager is still forced with managing variability in demand and variation in expectations. The extent, to which this is a problem, is largely dependent on time. In some cases, the volume of future business is totally planned in advance as for group reservations, whereas in others it is entirely unpredictable, as in many small hotels and resorts. The manager would prefer to be able to plan with certainty what the occupancy or the yield would be. If certainty is not possible, then predictions need to be used.

Limited Variability and Variation

Group booking and advance reservation are examples in hospitality service where the exact number of people expected are known and their requirements. Nonetheless, the organisation does have some special considerations in respect of capacity issues. Clearly, the capacity of the establishment will determine the maximum numbers that can be accommodated. However, the length of stay, the nature of tourism and the period of stay can alter the maximum number of guests and the volume that can be achieved over time. Selling packages that are similar in nature could reduce preparation time. Noisy groups will, for instance, limit the use of adjoining rooms and facilities by other guests. If the intention of the operation is to be flexible, then this situation is inevitable.

Coping with Variability

Another dimension of the capacity issue is the way in which changes in the volume of demand are managed. Where the actual demand is higher or lower than the capacity of the operation, considerations must be given to methods of smoothening this demand. This may be achieved by pricing (discounts), packages and reservation (network). Modification to demand can be achieved through pricing policies. In busy city hotels, the demand for suites would be more than those of economy rooms. This demand is lowered by disproportionately higher price of the suites. Secondly, refusal of reservation requests and overbooking ensures that the operation is working at full capacity. An efficient reservation system can ensure the future volume of business. Thirdly, offering of packages will encourage more sales during the lean period.

Coping with Variation

Even though it is possible to take reservations or establish a waiting list, it will remain the case that guests' selection from the various types of rooms may show wide variation. This variation may be due to the spending power of the guests, time of the year, type of clientele, customer mix, special occasion, etc. Approaches to managing this are based on early reservation, sales and promotion and architectural designs. The most preferable approaches to managing uncertain variation in choice are to get the customer to make their choice as far ahead as possible. Customer choice can be significantly influenced by promotions or direct selling by the marketing staff. Direct selling by the staff is more likely to shape

customer choice than promotional materials displayed for a particular market segment. Many customers, because they are buying an intangible product, tend to be happy to rely on the advice or suggestion of an ‘expert’, in this case a sales and marketing personnel.

Discount Fixation (Discount Control)

Discount fixation means allowing discount on room rate i.e., rates below the rack rate to rooms for a restricted period or for a specific period. The main idea behind discount allocation is to sell rooms and earn some revenue (that is at a discounted rate), rather than keeping the room vacant and earning no revenue at all (rooms are highly perishable product). This process of allowing discount by room type serves the following three purposes:

- It protects enough remaining rooms at a higher rate.
- It encourages up-selling.
- It controls over-revenue.

For effective decision-making, the management must be supported by a reliable demand forecast system.

Control of Reservation Period (Duration Control)

Control of reservation period means that, based on the management information system, the reservation section might find it more beneficial for the hotel to refuse the request of reservation made by a guest for one night even though the room may go vacant for that night. This is done with an objective that an expected request for more nights’ reservation by another guest (in other words, higher level of revenue) shall be accepted. In calculating yield, the revenue potential is always constant as long as there is no change in the rack rate and can be calculated by multiplying the rack rate by the number of rooms; while revenue realized is the figure of actual rooms revenue earned. Calculation of potential revenue might look simple, but its calculation in reality is very tricky as all the rooms of a hotel are not sold on double occupancy basis. There are always a certain percentage of rooms that are sold on single occupancy basis. So, the most difficult job in calculating the future yield is to find out the future percentage of single and double occupancy.

Impact of Approach to Capacity Management on Customer Satisfaction

The management of capacity is simply the maximisation of contribution (gross profit) through maximum utilization of facilities. It is also about matching the ability of the operations to provide services to the expected volume of business. This does not always mean operating at maximum capacity. The management of capacity, therefore, must take into account all the cost of providing the services and matching as far as possible the cost with the volume of business.

Customer Service and Resource Productivity

Level (service style)	Labour
Availability	
Standards	Facility
Reliability	
Flexibility	Materials

On one hand, hotel operation is designed to provide customer services and, on the other hand, the achievement of profit is largely determined by the efficient use of resources such as staff, facility

and materials available. Customer service can be defined as being a combination of the following five characteristics:

- Service style—system of working
- Availability of service—timings and location
- Level of standards—quality
- Reliability of service—practical to what extent
- Flexibility of service—provision of alternatives

Any modification in the system will affect these five characteristics.

When adopting capacity management, the hotels opt for overbooking and also the names of the prospective guests are taken onto the waiting list. Over 70 percent of waiting customers express concern about waiting times. Customers believe both quality and volume are worth waiting for, there comes a point where an unacceptable wait begin to affect their perception of quality. So, a ‘response time’ has to be established that affect customer satisfaction and spending behaviour directly. To tackle these situations, a number of recommendations were reported for consideration by the various front office managers:

- Raising of awareness*: Managers should be made aware of the impact of waiting time has on customer attitude and behaviour.
- Improved data collection*: Response time should be more specifically incorporated.
- Redesign*: Various systems can be altered to reduce slow response time.
- Uncertainty*: Remove uncertainty by telling guests what is happening.
- Out-of-line*: Encourage guests to seek the service off-peak.
- Sensitivity training*: Service employees should be made sensitive to the different needs of waiting guests.

Effects of Yield Management

Yield management has proved itself a valuable approach to the problems of maximizing rooms’ revenue. It will continue to increase in both importance and sophistication. However, it is better to keep its certain limitations in mind, some of which are given below.

1. Proper yield management is a specific technique that involves the switching of blocks of rooms from one market segment to another. This means that it will only work when demand is high and it is possible to find late, high yield bookings, if overall demand is less than 100 percent, then any booking are desirable, and the displacement effect is hardly likely to be significant. This is the situation in many hotels for most of the year that means that yield management is applicable in such cases.
2. Yield management will help trigger rate reductions and generate intensive marketing activities when demand falls significantly below the expected levels. The front office managers, who are experienced enough, would take such actions intuitively anyway.
3. Yield management is essentially a quantitative approach. This means that it works best in large and busy hotels that can generate the volume of numbers, which make statistical analysis valid.

Yield Management Software System

A yield management software system is a powerful decision-making tool that automatically makes yield management judgements to determine the rate availability by length of stay to maximize overall rev-

venues. Such software analyses raw data collected from in-house property management systems, and identifies certain booking patterns, categorizes all the information and prepares forecasting models in the form of straightforward reports.

A yield/revenue management system has the following advantages:

- Monitors and manages risk automatically
- Identifies dates that have low demand and/or revenue
- Provides optimal length of stay control
- Manages risk of overbooking
- Automatically highlights abnormal market behaviour
- Allows events to be entered before they occur
- Creates flexible reports for marketing programme evaluation
- Minimizes data that must be reviewed
- Determines total transient and group demand displaced by a potential group arrival
- Helps determine group availability and rates.

Working of the Yield/Revenue Management System

The functions of various components of yield/revenue management system are discussed below.

Forecasting

The forecasting element of the system prepares its forecasts by using the following:

- Demand patterns
- Special events databases
- On-books information
- Results of any user demand changes

Based on this data, the software forecasts transient demands based on historical bookings and folio data. The system will forecast no-show and cancellation patterns, demand and uncertainty in demand, according to market segments, room type, day of the week, length of stay and booking lead-time. These transient forecasts are then fed into the opportunity cost optimization aspect of the system.

Analysis

When a hotel adopts a fully computerized yield management system, an initial analysis of the property is conducted. After the data has been collected, it is analysed for patterns and exceptions. These patterns and exceptions are then searched during the nightly processing activity. In running the nightly activity, the system looks for the following:

- Booking lead times
- Demand patterns such as average length of stay, no-shows, day of the week and seasonality
- Special events where for any set of dates, there is significantly different:
 - Occupancy patterns
 - Market segment patterns
 - Booking lead-time patterns
- Hotel booking patterns, where bookings are sorted into suitable forecasting groups (Market segments and rates are translated into rate categories, as with rate fencing.)

The system also operates history databases that keep track of all the detailed and summary information needed for forecasting as well as a monitoring system that surveys forecasts, whether system generated or manually input, for significant deviations of actual bookings from anticipated levels. Most systems also operate two other operations. First is the overbooking system that allows ‘overbooking’ to make up for the no-shows, cancellations or early departures, while at the same time freeing rooms for additional guests. The second operation is the group evaluation system. This helps the property in placing and evaluating group demand. It provides the property manager with a tool to evaluate the group based on profitability, placement, displaced total demand and fair market rate.

The process of the latest software packages is very simple in its operation. It follows the procedures mentioned earlier, but unlike those it does it with a far greater depth of analysis than can normally be expected from a purely manual decision-making base.

Thus, it can be seen that the use and development of yield management in the hotel industry has been enhanced greatly over the past few years. Initially seen as another fad, yield management has now been accepted as one of the major ways forward for the maximization of both space and revenue that, after all, is the primary function and role of any discerning rooms division manager.

Figure 7.10 illustrates yield management process.

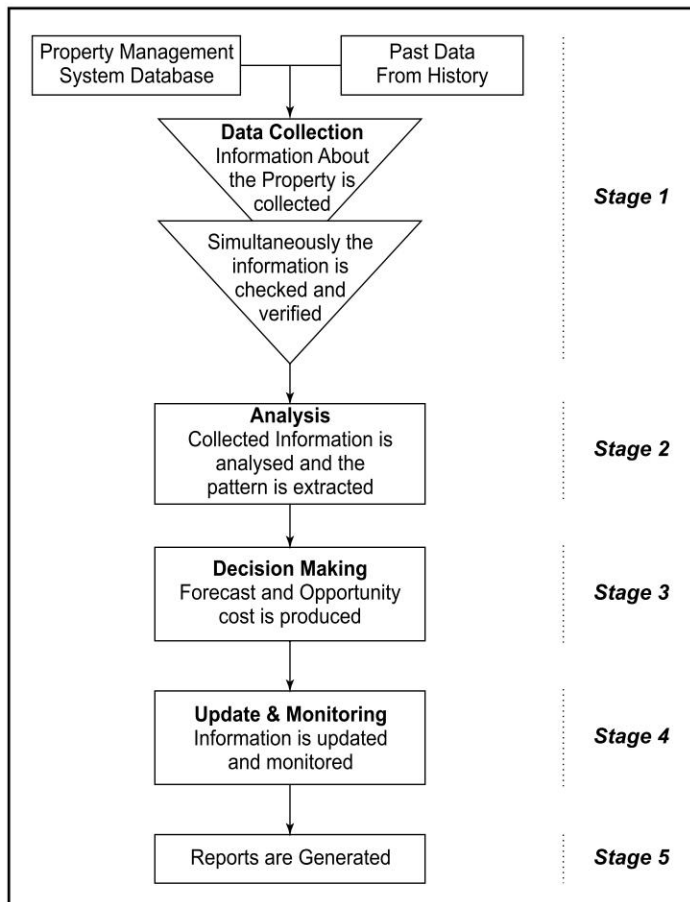


Fig. 7.10 Yield management process

III DEFINITION OF SOME IMPORTANT TERMS

Average daily rate (ADR)

This stands for Average Daily Rate.

$$\text{Average Daily Rate} = \frac{\text{Rooms Revenue Earned}}{\text{Number of Rooms that Earned Revenue}}$$

House use and complimentary rooms are commonly excluded from the denominator.

Competition Pool/Competitive Set

It is a group of hotels in the same city or area, with which the subject hotel routinely compares performance. The hotels in the set must be of approximately the same caliber and be pursuing the same customer base.

Daily Potential Room Revenue

The sum of each rack rate of each room in the hotel, added together. City-centre hotels use single occupancy rack rates for this calculation while resort hotels use double occupancy rack rates for this calculation. If the rack room rate includes any non-room items such as breakfast, the rate for breakfast is subtracted before the calculation is done.

Where a hotel has a suite configuration that can be split so that the bedrooms can be sold separately, the normal practice is to match the inventory as configured in fidelio. For example, if a two bedroom suite can be sold as a one bedroom suite and a separate bedroom, the usual practice is to use the rack rate of the one bedroom suite plus the rack rate of the separate bedroom, rather than the price of the resulting two bedroom suite.

Table 7.5 shows sample calculation of daily potential rooms revenue.

Table 7.5 Sample calculation of daily potential rooms revenue

Room Type	No. in Inventory	Rack Rate	Potential Revenue
Standard	100	Rs. 3,000	Rs. 3, 00,000
Superior	100	Rs. 3,750	Rs. 3,75,000
Deluxe	100	Rs. 4, 500	Rs. 4, 50,000
Club	50	Rs. 5,700	Rs. 2,85,000
1 Bedroom Suite	10	Rs. 7,500	Rs. 75,000
Oriental Suite	1	Rs. 30,000	Rs. 30,000
Total	361		Rs. 15,15,000

Displacement

The number of rooms (and resulting revenue) that the hotel decides not to take or that is eventually not accommodated because the hotel has taken other business. Primary displacement is those rooms and revenue that the hotel does not accommodate due to lack of available inventory. Secondary displacement is those rooms and revenue the hotel cannot accommodate, even though inventory is available, due to the

disturbed arrival and departure patterns caused by primary displacement.

Fair Revenue Share

It is the proportion of revenue that the hotel should earn, according to its relative size to the competition is called the fair revenue share (Fig. 7.10).

Forecast

It is the future prediction of eventual result. The system erroneously calls some computer printouts “forecasts” when in fact these are status reports showing reservations on the books at the time of printing.

Hotel Inventory

It is the number of rooms usually for sale in the hotel. Temporary house use and short-term out of order are not excluded from this number. Rooms are only excluded from hotel inventory if they will be occupied by house use for a period of more than one year or if the rooms are unavailable for sale due to renovation or damage lasting more than one year.

Market Penetration Index (MPI)

It is a percentage expression of how much of the hotel’s fair share of pool room nights has been earned.

$$\text{MPI} = \frac{\text{Actual RN (Market) Share Percentage}}{\text{Fair RN (Market) Share Percentage}}$$

If the resulting answer is less than 100 percent, the hotel is underperforming in terms of number of rooms being sold in the competition pool. This may not necessarily indicate that it is underperforming in revenue, however.

Market Share

This is the determination of a hospitality entity’s actual success rate in attracting customers. Once a determination of total supply for the product is made, each competing business has a ‘fair’ market share, i.e. its proportion of the total supply (Fig. 7.11). Its proportion of actual sales is its ‘actual’ market share. The market share establishes who has sold more or less than their fair share of the available supply.

Mid-stage Plans

Spreadsheets used in revenue management showing how many reservations a hotel should already have on its books at an interim point, if the hotel is to be on track to achieve its budgeted or forecasted result. Mid-stage plans are numbered to demonstrate how far in advance of the desired they are for: Mid 12 for September 1997 represents what should be on the books 12 weeks before the end of September 1997, if the desired result for September 1997 is to be achieved. Mid 3 represents what should be on the books 3 weeks before the end of the target month, and will therefore reflect the desired actual result for the first week of the month, as this will already have occurred.

Package Forecast

A forecast code can be attached to any package element, and can be used to assist a contributing department to prepare for providing their item to package guests, e.g., the coffee shop for buffet breakfast. Note that this number is not a true forecast (i.e., prediction) but is simply a way of alerting a department as to how many packages are actually already booked at the time of printing.

Period: Dec, '05 Days 31																
Hotel	Inventory	Room Night Available	Fair Share	Fair Share Room Night	Occupancy Over Period	Room Night Over Period	Average Rate Over Period (Rs.)	Revenue Over Period (Rs.)	Actual Share Room Night	Variation to Fair Share Room Night	Actual Share Revenue	Variation to Fair Share Revenue	RevPAR (Rs.)	Ranking by Actual Revenue Share	Ranking by RevPAR	Ranking by Actual Room night Share
Palace	500	15,500	15.04%	11,474	85.00%	13,175	5,250	6,91,68,750	17.27%	2.23%	16.04%	1.00%	4,462.50	2	2	1
Imperial	550	17,050	16.54%	12,622	73.20%	12,481	4,950	6,17,78,970	16.36%	- 0.19%	14.32%	- 2.22%	3,623.40	6	6	3
Pacific	750	23,250	22.56%	17,212	78.90%	18,344	5,220	9,57,57,000	24.04%	1.48%	22.20%	- 0.35%	4,118.70	3	3	2
Continental	400	12,400	12.03%	9,180	71.30%	8,841	5,670	5,01,29,610	11.59%	- 0.44%	11.62%	- 0.41%	4,042.80	4	4	4
Ritz	600	18,600	18.05%	13,769	67.00%	12,462	7,428	9,27,17,280	16.33%	- 1.71%	21.50%	3.45%	4,984.80	1	1	6
Dynasty	525	16,275	15.79%	12,048	67.60%	11,002	5,610	6,17,20,650	14.42%	- 1.37%	14.30%	- 1.48%	3,792.30	5	5	5
Total	3325	1,03,075	100.00%	76,305	74.03%	76,305	5,652	43,12,72,260	100.00%	0.00%	100.00%	0.00%	4,184.10			

Fig. 7.11 Fair market share and fair revenue share

Peak Period

Also known as ‘in-season’, this is the period when demand for a property and its services is highest. Maximum rates may be charged at this time.

Potential Average Rate

$$\text{Potential Average Rate} = \frac{\text{Daily Potential Room Revenue}}{\text{Hotel Inventory}}$$

Table 7.6 shows how potential average rate is calculated.

Table 7.6 Calculation of potential average rate

SAMPLE CALCULATION OF POTENTIAL AVERAGE RATE			
Room Type	No. in Inventory	Rack Rate	Potential Revenue
Standard	100	Rs. 3,000	Rs. 3,00,000
Superior	100	Rs. 3,750	Rs. 3,75,000
Deluxe	100	Rs. 4,500	Rs. 4,50,000
Club	50	Rs. 5,700	Rs. 2,85,000
1 Bedroom Suite	10	Rs. 7,500	Rs. 75,000
Oriental Suite	1	Rs. 30,000	Rs. 30,000
Total	361	Rs. 4,196.70	Rs. 15,15,000

Note that if the hotel changes its rack rates during the year, the hotel must recalculate the daily potential room revenue and potential average rate.

Pure Demand

The anticipated number of requests for rooms per day from each market segment. This number is usually higher than the proven historical achievement from that market, unless there has been a significant decline in that market overall, as hotels usually do not accommodate all of the pure demand from any particular market.

Rate Yield

Rate yield is most commonly used to study market-segmented behaviour. Rate yield calculations are, therefore, performed on market segmented results.

$$\text{Rate Yield} = \frac{\text{Average Rate Earned}}{\text{Potential Average Rate}}$$

Example of rate yield calculations for individual market segment:

Assuming that a hotel’s rack rate segment earns an average rate of Rs 4050, we get

$$\text{Rate Yield (for Rack Rate)} = \frac{\text{Rs } 4050}{\text{Rs } 4196.70} = 96.5\%$$

This means that rack rate has been given an effective percentage discount of $(100 - 96.5) = 3.5\%$.
Supposed Corporate B earns an average rate of Rs 3600. Then

$$\text{Rate Yield (for Corp B)} = \frac{\text{Rs } 3600}{\text{Rs } 4196.70} = 85.78\%$$

This means that Corporate B has been given an effective percentage discount of $(100 - 85.78) = 14.22\%$

Therefore, rate yield tells the hotel the effective percentage discount off rack that a particular market segment is getting. The hotel can examine this discount to see if it falls in line with the discount the hotel planned to offer that segment.

Now, if the hotel has quoted all its Corporate B rates with the intention of offering a 10 percent discount off rack, then the rate yield for Corporate B should be close to $(100 - 10) = 90\%$.

The hotel can use actual rate yield calculations to spot those market segments where the actual discount being given is not in line with the planned discount.

The usual reason for a market segment having a poor rate yield (when compared to the planned rate yield) is that that market segment is using room types at the cheaper end of the room scale. The hotel can use rate yield calculations to spot these market segments and devise a strategy to encourage that segment to buy more expensive rooms within the rate scale for that market.

Example of rate yield calculations for total hotel

When a rate yield calculation is performed on the total hotel (i.e., all market segments included), the result tells the hotel the average discount it is giving, all markets combined.

Suppose a hotel earns Rs 2,10,00,000 during September and the occupancy was 75%, excluding Complimentary and House Use.

Therefore, rooms occupied was $(361 \times 30 \text{ days} \times 75\%) = 8123$ rooms.

Therefore,

$$\text{Average Rate} = \frac{\text{Rs } 2,10,00,000}{8123} = \text{Rs } 2585.25$$

$$\text{Rate Yield (for all market segments combined)} = \frac{\text{Rs } 2585.25}{\text{Rs } 4196.70} = 61.6\%$$

Therefore, the hotel has effectively given an average discount of $(100 - 61.6) = 38.4\%$.

Revenue Management

Revenue management entails a hotel-wide application of analytically driven demand-based decisions and pricing/availability methods that holistically improve the hotel revenues. Simplistically stating it is all about 'selling the right product at the right time to the right customer at the right price'. In other words, it emphasises on the practice of maximising the total hotel revenue, including the peripheral spend.

Revenue Penetration Index

It is a percentage expression of how much of the hotel's fair share of pool revenue has been earned. If the resulting answer is less than 100 percent, the hotel is underperforming in revenue terms.

Revenue per Square Foot (or Square Metre)

The revenue management measurement is commonly used in restaurants and function space to determine the revenue earned per unit of space. It can be applied to one restaurant/function room or to all restaurants and function rooms combined.

$$\text{Revenue (per sq ft)} = \frac{\text{Revenue Earned by F\&B/Function Area Under Consideration}}{\text{Area of F\&B/Function Area under Consideration (in sq ft or sq m)}}$$

Revenue Yield Percentage

It is calculated as follows:

$$\text{Revenue Yield Percent} = \frac{\text{Room Revenue Earned over Period}}{\text{Potential Room Revenue over Period}}$$

For example, if a hotel earned Rs 750,000 in rooms revenue last night, where daily potential revenue is Rs 1,515,000, then

$$\text{Average Rate} = \frac{\text{Rs } 7,50,000}{\text{Rs } 15,15,000} = 49.5\%$$

In case of a hotel earning Rs 2,10,00,000 rooms revenue in September, we have

$$\text{Average Rate} = \frac{\text{Rs } 2,10,00,000}{\text{Rs } 15,000 \times 30 \text{ days}} = 46.38\%$$

Revenue yield percentage has the following advantages:

- One number (yield %) to focus on instead of two (occupancy vs average rate)
- Number goes up, revenue has gone up (not true with either occupancy or average rate).
- As it is a percentage measurement, it is easier to spot trends year on year.

RevPAC (revenue per available customer)

It s closest airline equivalent is revenue per passenger mile. It is calculated as follows:

$$\text{RevPAC} = \frac{\text{Total Guest Revenue Earned from all Departments}}{\text{Hotel Guests over Period}}$$

For example, if a hotel earned Rs 15,00,000 in total guest revenue last night, then

$$\text{RevPAC} = \frac{\text{Rs } 15,00,000}{361} = \text{Rs } 4155$$

In case of a hotel earning Rs 45,00,000 in guest revenue in September,

$$\text{RevPAC} = \frac{\text{Rs } 45,00,000}{361 \times 30 \text{ days}} = \text{Rs } 4155$$

RevPAC has the following uses:

- It is used to gauge ‘return on investment’.
- It enables a hotel to compare itself to others in its competition pool.. If a hotel has the largest RevPAC, it is earning the greatest share of the revenue earned by the competition pool.

RevPAC, however, has the following disadvantages:

- Using RevPAC, it is difficult to sort out guest revenue from non-resident revenue. Further, some guests pay cash for services, which do not appear as guest charges.
- It is difficult to spot trends as RevPAC is a currency-based measurement.

RevPAR (Revenue per Available Room)

Sometimes also called ‘yield’, its closest airline equivalent is revenue per seat on one route. It is calculated as follows:

$$\text{RevPAR} = \frac{\text{Room Revenue Earned during Period}}{\text{Hotel Inventory for Period}^*}$$

(*fixed: does not vary with out of order, house use, etc.)

For example, if a hotel earned Rs 7,50,000 in rooms revenue last night, then

$$\text{RevPAR} = \frac{\text{Rs } 7,50,000}{361} = 2,077.55$$

In case of a hotel earning Rs 2,10,00,000 in September, we get

$$\text{RevPAR} = \frac{\text{Rs } 2,10,00,000}{361 \times 30 \text{ days}} = 2077.50$$

RevPAR is used to gauge ‘return on investment’. It also enables a hotel to compare itself to others in its competition pool—a hotel having the largest RevPAR must be earning the greatest share of the revenue earned by the competition pool. However, as RevPAR is a currency-based measurement, it is difficult to quickly spot trends.

III SERVICE MANAGEMENT

A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production.

Very often guests say, ‘service is excellent’ or ‘service is very poor’. But what is service for hospitality industry? Service is a composite final product that we intend to sell to our guests. This composite product is prepared by blending certain ingredients in the right proportion.

Let us take an example. From a tea shop, tea is being sold in a cup against a fixed price. Here, tea is the final and composite product that is being sold. But to prepare this cup of tea, the seller blended four ingredients in the right proportion. They are tea leaf, water, milk and sugar. The seller is not selling tea leaf, water, milk and sugar separately, but selling cup of tea that is a composite product, which is a blend of all the above four ingredients in the right proportion.

Similarly, in the service industry, Service is the final product that we sell to our guests. Now, the question is: What are the ingredients that we require to blend in proper proportion in order to produce the final product, i.e., service? They are as follows:

1. Hotel rooms
2. Food and beverage
3. Behaviour
4. Grooming
5. Position
6. Posture
7. Gesture
8. Facial expression
9. Eye contact
10. Communication
11. Proximity
12. Tone of voice

A proper mix of the above-mentioned elements makes the final product—service. In other words, in the service industry we continuously sell ourselves and we will be sold at higher price only when we can deliver a quality product.

Service Quality

We will now discuss the importance of service elements. How can we measure the quality of service? The guest would expect the staff to have the following characteristics:

1. **Reliable** This means the avoidance of error in every procedure, e.g., taking the reservation correctly, registering the guest on arrival, allocating the room and making the accurate bill ready on check-out.
2. **Responsive** Each service should be available as per the guests' demands and not when staff wants. It means promptness in answering telephone calls, attending guests promptly on arrival without keeping the guests waiting and so on.
3. **Courteous** This is the individual staff responsibility. It means being polite even when the guest is overbearing, inconsiderate or even offensive. It might conflict with other requirements, such as responsiveness; this is because of willing to explain clearly and patiently. This can also mean being friendly and reassuring.
4. **Customer focused** This means putting the guest before the organisation. Any suspicion on the part of the guest that the priorities are the other way round (as a result of hard selling techniques) is likely to be counter-productive.
5. **Confidential** It may be very tempting to gossip about guests, e.g., what happened in a suite the night before, personal life of a celebrity or VIP, etc. but the hotel that permits this, does not provide good service.
6. **Caring** The staff must take sincere efforts to look after the individual guests' needs. These may vary from guest to guest and even can change from time to time, but recognising them is a key quality of the service concept. Guests do not like to be treated in general and you need to be able to bring the changes. It is this need to combine individuality of treatment with the maintenance of consistent overall standards. This establishes the fact that the service quality depends on how the staff behave during face to face interaction.

Nature of Service

As we have seen, hospitality is a big topic that involves the hotel 'package' as a whole. It starts with market research and goes on through planning and design to cover issues such as staffing levels and maintenance. Service is that part of the process which involves day-to-day contact between the staff and the customer. This links up with the generally accepted view that services (i.e., the products of 'service industries') differ from material goods in that they are:

1. *Much less tangible.* As we have seen, the service 'package' is made up of sensory and psychological experiences, rather than objects that the guest can take home and add to his permanent possessions.
2. *Much more perishable.* Goods can be stockpiled, but services cannot. As every commentator on the hotel industry points out, an unsold room night is lost for ever.
3. *Simultaneous.* The customer has to be there when the service is delivered: This is obviously true in the case of the hotel guest, without whose physical presence the whole concept of a hotel expe-

rience becomes meaningless. The situation is quite different for a manufacturing industry, where the factory makes the product long before the customer buys it.

4. *Heterogeneous.* The product is hard to standardize. Different customers have different needs. It is thus very difficult to establish output standards for a service firm, and even harder to ensure that they are always met.

All this means that the 'service product' depends on the way the staff behave. This is not true of manufacturing industries. One can admire a finished artefact without worrying about whether there might have been a bitter labour dispute during the manufacturing process, but a comparable event in a hotel would make a guest's stay pretty unpleasant.

Guest Needs

'Hospitality' involves anticipating and satisfying a guest's needs. The hotel 'package' is a complex one, and the guest's perception of quality depends on the extent to which these are satisfied. However, we must take price into consideration as well, no sensible guest expects to find gold-plated taps in a two-star hotel. In other words, you can have a high quality inexpensive hotel, just as you can have a poor quality five-star one.

Quality is thus a function of the extent to which the hotel satisfies the full range of guest needs, taking price into consideration. It is necessarily a subjective assessment on the part of any individual guest, but if we could somehow combine the various elements we would be able to arrive at an aggregate quality rating in respect of any hotel. A possible mechanism for determining this is as follows:

$$Q = \frac{\text{Average } (L + F + C + A + R + S + H)}{P}$$

where

Q = Quality

L = Location (e.g. city centre and suburb)

F = Range of facilities (e.g. bath, TV and pool)

C = Standard of comfort (e.g. warmth, quietness, cleanliness, softness of beds, etc.)

A = Ambience (e.g. attractiveness of decor)

R = Range of services available (e.g. parking, portorage, concierge and room service)

S = Speed or promptness of service staff

H = Hospitality (e.g. warmth of the staff during stay)

P = Price (e.g. high, average and low in terms of the services and facilities provided)

All the elements of the 'package' have accounting implications (location, facilities, comfort and ambience are initially capital items, but they also involve running costs such as rent, fuel and maintenance; service range and speed are functions of the number of staff employed; while hospitality reflects expenditure on staff training).

The idea is to give a score for each of the package elements. This might be as simple as 3 to 1, with '3' meaning 'above expectations' and '1' the opposite. 'Price' would be scored on a broadly similar basis, with '3' meaning 'higher than expected' and '1' that it is perceived to be low.

Imagine that you are a guest and work it out for yourself. If your scores were (say) $L = 2$; $F = 2$; $C = 2$; $A = 3$; $R = 3$; $S = 2$ and $H = 3$. The average would be about 2.4. Now, if you thought the price high (i.e. 3), the 'Q' rating would be 0.8. If you thought it about right (i.e. 2), the 'Q' rating would be 1.2, and if you thought it low (i.e., 1), the rating would be 2.4. In other words, the highest rating comes where a

high package average is provided at a low price. In simple word, this means that the customers see the hotel as offering value for money.

This 'quality rating' is only intended as a conceptual structure (i.e., a way of thinking) about quality in relation to the hotel 'package'. However, it might be turned into an actual mechanism by asking guests, through a questionnaire, to score their perceptions using the kind of simple rating system, these could be aggregated and a *Q* rating derived.

There is one important point to note, though. If the score in any single element drops below a minimum level (reflected by a '0' perhaps), then the rating as a whole would be affected in the same way. The point is that while guests can overlook minor shortcomings, really unpleasant experiences are likely to put them off the hotel for good. Imagine one entering a well-designed, attractive lobby, being greeted pleasantly, shown to a comfortable room and then finding the bath and toilet infested by cockroaches... That '0' would wipe out all the other 3s.

Tangible and Intangible Needs

Analysing the hotel 'package' shows that the needs it caters for are a mixture of tangible (i.e., physical) and intangible (i.e., psychological) elements.

Tangible needs

The tangible needs of guests involve anything aimed at saving the guest effort or stress. One way of looking at these is to think through what the guests will require from start to finish of their stay. They will probably have travelled some distance before arriving, and may well be on business. On arrival, they will require the following:

- Easy access to reception and somewhere to leave their cars; if they have
- Easy access for themselves and their luggage to their room
- A lock and a room key so that they can be sure of privacy
- Toilet facilities so that they can 'freshen up'
- Somewhere to keep their clothing fit to wear and, for longer stays, laundry facilities.
- Something to eat and drink
- A chair so that they can relax in comfort
- Alternatively, somewhere to exercise such as a sauna, gymnasium or swimming pool
- Again alternatively, facilities so that they can work in their room, or possibly hold a meeting
- Facilities so that they can receive and transmit messages
- Some form of individual or group entertainment, such as a TV in the room, or perhaps a disco
- A bed to sleep in comfort
- Some provision for a wake-up call in the morning, an early morning tea or coffee, breakfast and possibly a paper as well

In cold climates, the facilities will have to be warmed; in hot climates they need to be cooled down, or at least ventilated. In noisy environments (such as city centres or the vicinity of airports), they need to be silenced. In every case, they must be clean.

Therefore, for every 100 unhappy guests, approximately 1200 others will know by word of mouth about the bad service. One never goes to a barber, dentist, tailor or doctor about whom he/she has heard negatively. Remember that the same thing applies to hotels too.

Why Do Guests Not Come Back?

As per a research by TARP, guests do not come back for the following reasons:

One percent die.

Three percent move.

Five percent form other friendships.

Nine percent have competitive reasons.

Fourteen percent have product dissatisfaction.

Sixty-eight percent do not come back because of an attitude of indifference on the part of an employee.

Research shows that the cost of a lost guest is 5 times the annual value of that account and it takes 5 times the effort to attract a new guest.

Value of a Loyal Guest

Let us assume the following:

- Average stay of a guest is 3 days
- The average bill per day is Rs 2500
- The guest makes 5 visits per year
- So, every year the hotel earns $\text{Rs } 2500 \times 3 \text{ days} \times 5 \text{ visits} = \text{Rs } 37,500$ per guest
- If the guest were to come to the hotel for 10 years, the total business will be $\text{Rs } 37,500 \times 10 = \text{Rs } 3,75,000$ per guest
- This guest speaks about his satisfaction to other people, and 3 more guests decide to come to the hotel. Then, the total business will be $\text{Rs } 11,25,000$ per guest
- If an employee handles 20 guests per day, then he/she is handling a potential business of $\text{Rs } 11,25,000 \times 20 = \text{Rs } 2,25,00,000$

This shows the importance of the *moment of truth*.

Basic Differences between Goods and Services

The following characteristics of services make them different from goods:

- Customers do not obtain ownership of services.
- Service products are intangible performances—not objects.
- Customers are often actively involved in production process.
- Other people may form part of product experience.
- There is more variability in operational inputs and outputs—harder to improve productivity, control quality.
- It is often difficult for customers to evaluate service.
- There is absence of inventories after production.
- Time factor is more important—speed may be the key.

- Delivery systems include electronic and physical channels.

Understanding the Service Act

There are four types of service processing—people, possession, mental stimulus and information processing, as shown in Fig. 7.12.

Who or what is the Direct Recipient of the Service		
What is the Nature of the Service Act	Directed at People	Directed at Possessions
	Tangible Acts	People Processing e.g. airlines, hospitals, hotes, restaurants, haircutting, fitness centres
Intangible Acts	Mental Stimulus Processing e.g. broadcasting, consulting, education, psychotherapy	Information Processing e.g. accounting, banking, insurance, legal, research

Fig. 7.12 Types of service processes

Components of Customer Expectations

The major components of customer expectations are discussed below.

Desired service level

It is wished-for level of service quality that customer believes can and should be delivered.

Adequate service level

It is the minimum acceptable level of service.

Predicted service level

It is the service level that customer believes firmly will actually be delivered.

Zone of tolerance

It is the range within which customers are willing to accept variations in service delivery. Usually, when the price is on lower side, the tolerance level increases and when on higher side, the tolerance level decreases.

Information

Customers often require information about how to obtain and use a product or service. They may also need reminders and documentation.

Order-taking

Many goods and services must be ordered or reserved in advance. Customers need to know what is available and may want to secure commitment to delivery.

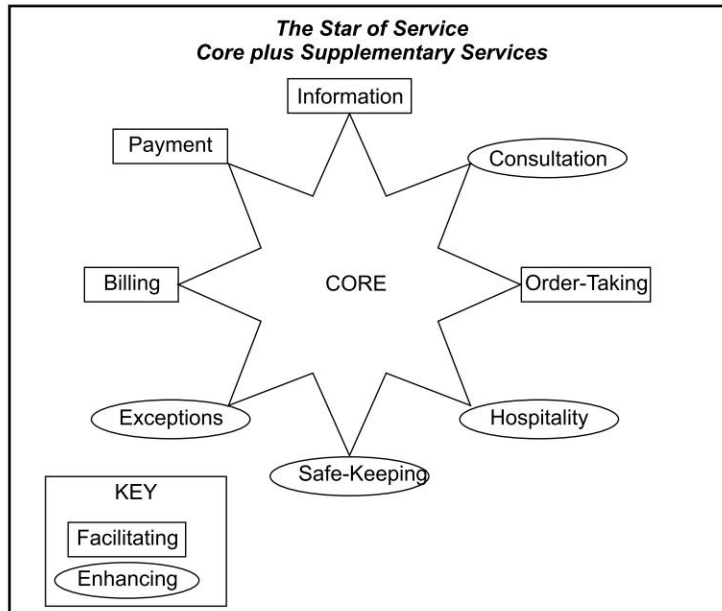


Fig. 7.13 Service core and supplementary services

Billing

‘How much do I owe you?’ Customers deserve clear, accurate and intelligible bills and statements.

Payment

Customers may pay faster and more cheerfully if you make transactions simple and convenient for them.

Consultation

Value can be added to goods and services by offering advice and consultation that are tailored to each customer’s needs and situation.

Hospitality

Customers who invest time and effort in visiting a business and using its services deserve to be treated as welcome guests (after all, marketing invited them there and it is our responsibility to treat them well, so that they stay).

Safekeeping

Customers prefer not to worry about looking after the personal possessions that they bring with them to a service site; they also expect the firms to help care for the goods that they purchase.

Exceptions

Customers appreciate some flexibility in a business when they make special requests. They expect it when not everything goes according to plan.

Figure 7.13 shows service core and supplementary services.

Figures 7.14 and 7.15 illustrate core product and supplementary services in a luxury hotel and the factors that influence guests’ expectations of service.



Fig. 7.14 Core product and supplementary services in a luxury hotel

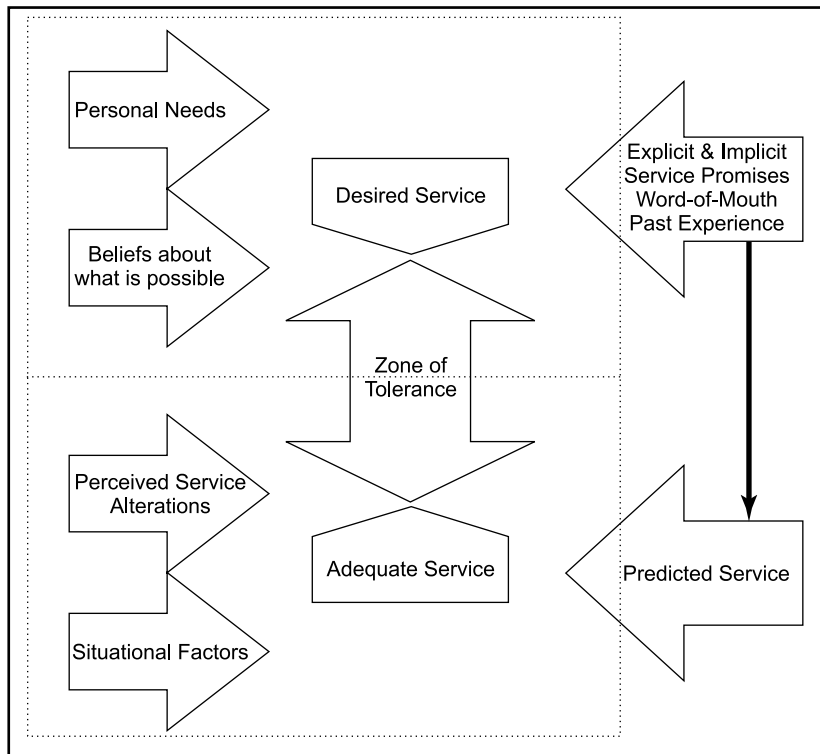
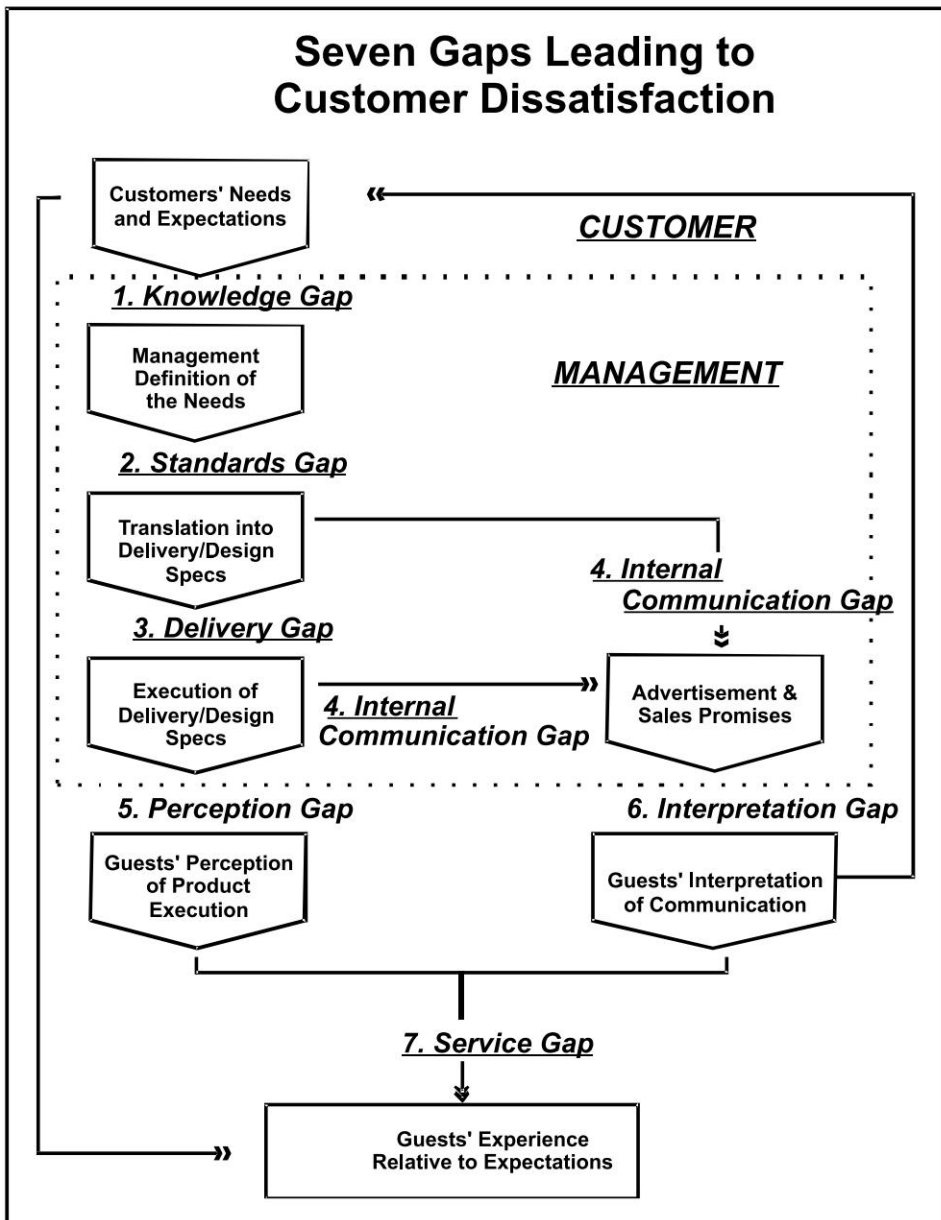


Fig. 7.15 Factors influencing guests' expectations of service

Seven Gaps Leading to Customer Dissatisfaction

1. The difference between what service providers believe customers expect and customer's actual needs and wants.
2. The difference between management's perceptions of customer's expectations and the quality standards established for delivery.



3. The difference between specified delivery standards and the actual provider's performance (This is due to training deficiency or shortage of staff).
4. The gap between what the company advertises and what they can actually deliver.
5. The difference between what is actually delivered and what the customer perceives that they have received. (Remember that service is generally unable to be accurately evaluated.)
6. The difference between what the company communications says that it is offering as opposed to what the customer thinks the communication was saying.
7. The difference between what customers expect to receive and their perceptions of the service that is actually delivered.

Prescriptions for Closing Service Quality Gaps

1. **Knowledge:** Learn what customers expect—conduct research, dialogue, feedback.
2. **Standards:** Specify SQ standards that reflect expectations.
3. **Delivery:** Ensure service performance matches specifications— consider roles of employees, equipment, customers.
4. **Internal communications:** Ensure performance levels match the marketing promises.
5. **Perceptions:** Educate customers to see the reality of service delivery.
6. **Interpretation:** Pre-test communications to make sure message is clear and unambiguous.

Building a Service Quality Information System

Complaint analysis
 Post-transaction surveys
 Ongoing customer surveys
 Customer advisory panels
 Employee surveys/panels
 Focus groups
 Mystery shopping
 Total market survey
 Capture of service operating data

Note: You never get a second chance to make the first impression.

Quality Service and Customer Care

Customer care depends on the following four fundamental principles:

1. The company is fully committed to providing excellent customer care and the customer is the key focus throughout the company.
2. All staff is aware of, and committed to, the vision of excellent customer care.
3. All staff is trained to provide the highest quality of customer care.
4. Systems and procedures are designed to enhance customer care.

Note: It costs five times more to get a new customer than to keep an existing one.

What is customer care and quality service?

Being the best, not one of the rest
Giving people a little more than they expect
Making the little things matter as much as the large
Treating people as you wish to be treated yourself
Recognising that what is good for the clients is good for colleagues too
Making sure our clients return – again, again, again
Not so much a slogan, more a frame of mind

Customer care and quality service is giving people a little bit more than they expect. Giving that little bit extra means

Keeping promises
Showing interest in the personal experiences
Acting in advance rather than waiting to be asked
Remembering names
Paying attention to detail, smiling first, looking people in the eye...
Acknowledging everyone you meet
Saying that you can, not what you cannot do

Customer care and quality service really matters because of the following factors:

Greater competition within the industry
Higher customer expectations – if competitors raise their levels of service, customers expectations are raised
The need to retain customers in order to build a profitable business

Note: We must cherish our loyal customers.

Why is Customer Care important?

- The average business never hears from 96 percent of its unhappy customers.
- For every one complaint received, the average company has 26 customers who experienced a problem.
- The average customer who has a problem with a company tells 10 other people.
- It costs five times more to get a new customer than to keep an existing one.
- 60 percent of the population now work in service industry – this makes 60 percent of the population very particular about service!
- Quality is remembered long after the price is forgotten.
- Customer care and quality service is at the heart of all good service-oriented organisations.
- Whether it is the local swimming baths or an organisation like ours, competition is keen.
- Customer care and quality service is good for the company.
- Customer care and quality service is good for our clients.
- Quality service is good for you!

Customer care and quality service is more than a campaign for you and your colleagues, it will become a guiding principle that affects everything that you do during the course of your working day.

What is Quality Service?

Quality refers to the following:

1. *Quality of the establishment* Clean, modern and attractive a pleasant environment for working out and working in
2. *Quality of the staff* People who are knowledgeable, friendly and helpful; people who have the ability to perform well and the flexibility to adapt to the challenges of working in a busy environment
3. *Quality of the service* The quality of our services to meet the needs of all our customers

A person who provides excellent service and customer care has the following characteristics:

- A friendly disposition
- A positive attitude
- A prompt and appropriate response
- The ability to identify your needs in that situation
- A willingness to help
- A knowledge relating to all products
- An ability to communicate well
- A readiness to provide ‘that little extra’
- Courtesy, concern and care

Customer care and quality service is all about:

- Treating customers with care, courtesy and efficiency
- Following established systems and procedures effectively
- Carrying out your job tasks effectively and getting them right first time
- Having a positive attitude towards work and customers
- Setting high standards for the way you work

Ensuring Quality Service

The clients who come into our establishment want more than the facilities we offer, they want to be treated well. That is where you have an important contribution to make. The service that you give to the members depends upon your attitude towards your work. Customer care and quality service thrives on a positive attitude.

Being positive The way that you approach your job, yourself, and other people has a direct effect upon everything that you do. It is the difference between waking up in the morning and thinking, ‘**I feel great today**’ and ‘**Oh, another boring day!**’

Ten tips of positive attitude include:

- Be willing to learn new things about your job and your company.
- Show an interest in other people – members and colleagues.
- Cultivate a sense of humour, and get some fun out of your work.
- Try to be cheerful, even on bad days.
- Be punctual – good timekeeping is a measure of your reliability.
- Take pride in your work, every task no matter how trivial it seems is an important one.
- Get organised – plan ahead and make more time for your priorities.
- Be a good listener – it is not easy as it sounds.

Show willingness to help.

Set goals for yourself and work hard to achieve them.

It is also important to remember the following:

The quality of your life – both inside and outside of work is determined to a large extent by your attitude.

Customer care and quality service thrives on a positive attitude.

Only you can control this!

It is important to be positive because if you feel good about yourself,

You will tend to laugh off some of the things that tend to make you feel bad.

You will have more enthusiasm for your job and for life in general.

You will focus on what is good, rather than what is not so good.

You will work more efficiently.

You will use your strengths and work on your weaknesses.

You will criticize less and praise more.

You will gain more job satisfaction.

You will have better relationships with colleagues and members.

Ever heard comments like these?

1. “They are a miserable lot.....smile doesn’t cost much does it?”
 2. “I asked what kind of service they offer.....and no one seems to know!”
 3. “He was really rude.....said it wasn’t his department!”
 4. “She said she would have a word with the manager about it and I still haven’t heard a thing!”
- You are probably familiar with the types of things people say when they do not get good service.

How to make guests come back?

To make sure that the guest comes back to the hotel, one must maintain the standards of customer care and quality service:

1. Be pleasant to clients – even when you do not feel like it.
2. Deal courteously and promptly with clients’ queries.
3. See problems as challenging and look for ways to overcome them.
4. Learn as much as you can about the products and the services we provide.
5. Note all clients’ comments and suggestions.
6. Keep clients informed at all times.
7. Try not to take clients’ complaints personally.
8. Provide service over the above and what clients expect from you.
9. Remember that each and every client you help, no matter who you are, how new you are, what job you do – you are the establishment!

Note: The customer is the reason we are here and not an interruption to our work.

When you put yourself in the customers’ shoes, you realize that the thing that motivates people to return is the way they are treated and that facilities attract people to use the organisation by positive feelings that is created by your behaviour, keep them coming back.

Therefore, you must follow the following:

Be on your best behaviour

Treat people as you would expect to be treated

Put your customers first, meet their needs

Understanding our customers

We need to treat people as individuals

We need to be proactive in the way we deliver customer care if we are to remain competitive

We need to put ourselves in our customers' shoes – understanding their needs and wants, meeting them and exceeding them when we can

We need to enjoy giving people a little more than they expect

Note: Our quality is remembered long after the price is forgotten and people always remember experiences.

Customer Care and Quality Service and Colleagues

The quality of the service that you extend to your colleagues is just as important as that given to the clients, for the following reasons:

It creates a better working atmosphere.

It makes everybody's job easier and more satisfying.

The way you treat one another has direct repercussions on the way you treat customers.

What is good for the customer is good for everybody.

Role of Body Language in Customer Care

Everyone involved in customer care should be able to communicate effectively. Yet, for many people, the message they think they are sending is not necessarily the one that is received. Somewhere along the line, where they go wrong is the body language.

Body language accounts for about 70 percent of what we communicate. (Tone of voice accounts for about 20 percent and the actual words that are used for about 10 percent.) Although the precise percentages vary, the ratios are hardly surprising when you consider that all information reaching our brains can only enter through the five senses – sight, hearing, touch, taste and smell. Of those senses, the eyes are the most valuable transmitting approximately 85 percent of the information that reaches our brains. About 10 percent goes in through our ears and the other senses handle the remaining 5 percent.

The fact that most of our communication is received visually is, in itself, no bad thing. The problem is that we put most of our efforts into organising and delivering the word we use. Our body language is left to 'fend for itself' and as a result, tends to come 'unedited', communicating what we really feel. Where body language is synchronised with what we are saying, it supports our verbal communication. Where it is not synchronised with our verbal communication, it may even contradict it with the result that it will take precedence over the words we have used because people more readily believe what they see rather than what they hear.

Therefore, if the major part of our communication is with body language and seemingly unintentionally, it can either support or contradict what we think we are communicating. It makes sense to learn more about it. In particular to become consciously aware of it, to be able to interpret others' body language and to deliberately use it to support what we want to communicate and to influence other people.

Body language breaks down into the following six main categories:

Posture

Gestures

Face

Eyes
Tone of voice
Proximity

Posture

Posture is concerned with the overall bearing of the body. It comprises the angle of the head, shoulders, hips and feet, direction and angle of inclination and position of arms and legs.

In general, people who feel comfortable with a situation and with themselves, raise their head and look openly at you. They may lean back slightly indicating that they are relaxed or lean forward slightly and indicate attentiveness.

People who are on the attack or who feel aggressive generally adopt a 'full frontal' stance with their head, shoulders, hips and feet all pointing at you. They will probably 'close up' physically, making themselves smaller, hands and arms may protect their mouth or abdomen; legs may be crossed tightly. People feeling superior and arrogant may cross their legs openly (angle of one leg resting on the knee of the other) and lean back with their hands clasped at the back of their head.

Gestures

People use their hands and arms in a variety of ways. Some gesticulate frequently and others hardly at all

Arms can be used to signify self-protection and defensiveness when they are folded tightly across the abdomen; or they can be held down, with hands clasped casually together, to signify relaxation.

Hands can be used to hide behind, covering part of the face; they can be used to demonstrate openness and honesty by showing open palms; they can be used to cut the air aggressively to emphasize points.

Fingers can be used to fidget, as in drumming the table indication impatience or boredom; they can be used to jab the air pointing to you; they can be used to wag at someone like a school teacher talking to a naughty pupil; they can be wagged threateningly like a stick.

Face

Human beings have control over their facial muscles more than any other animal species on the planet. As a result, the face is the most expressive part of our bodies.

The areas around the eyes and mouth are the most expressive. Raise eyebrows and 'O' shaped open mouth signifies surprise but raised eyebrows and an open mouth indicate real pleasure; knotted eyebrows and a turned down mouth signify sadness while knotted eyebrows and tightly pursed up lips signify displeasure. There is hardly a single emotion that does not show in the face in such a way as to be instantly recognisable by someone else.

Eyes

Although the eyes are a part of the face, they are important enough to warrant specific mention. The effect of the eyes can be extremely subtle – we tend to feel uneasy about people 'beady little eyes' (that is small pupils) – or it can be obvious as is the case with eye contact.

Eye contact is very important to customer care. If we avoid eye contact, we can give the impression, especially if accompanied by a pleasant facial expression. We are effectively saying, ‘I am pleased to see you, I feel confident in myself’.

Tone of voice

Tone of voice is an important aspect of our communication. If it is too quiet and hesitant, people will infer nervousness on our part. If it is too loud, too fast, too abrupt, people will infer impatience and so on. Whenever possible, you should pay attention to the following:

1. Volume, so that you can be heard
2. Pace, so that you sound enthusiastic, concerned, relaxed and so on, as appropriate
3. Pitch, a low, slow monotone can make you sound bored. A high, rapid voice delivered in fits and starts can make you sound nervous – pitch therefore needs to be moderate and varied

Proximity

The message we give by proximity and we adopt is dependent on the following points:

A gap of more than 4 feet generally means that the people are not in contact with one another, less than that and strangers get edgy

A gap of 2–3 feet generally means social/business interaction or joint activity, for example, when a salesperson is demonstrating how something works

A gap of less than 18 inches generally means that the participants are friendly/intimate

There are certain provisions on these points:

1. Country people expect more personal space than city dwellers.
2. The situation makes a difference, no one expects the same amount of space at a crowded cocktail party or in a standing room or in public transport as they would in, say, a business meeting.
3. Different cultures create different expectations. Scandinavians, for example, feel uncomfortably close at the same distance at which a Japanese business person would feel uncomfortably distant

Problems arise primarily when people feel their personal space is being ‘invaded’. When they are expecting a business interaction, for example, could indicate that they are lying, that they are socially uncomfortable or that they are itchy. If accompanied by an evasive look down, a tailing off of their volume, tightly crossed legs and hunched posture, we may safely assume they feel socially uncomfortable.

To use body language effectively, we have to firstly ensure that it is positive. By the way of example, some aspects of body language have been grouped below into positive and negative. The negative has been further sub-divided into submissive/superior. No prizes for guessing which is which! Secondly, we have to ensure that it is synchronised with what we intend to say.

1. Negative words–Negative body language

Negative everything–no place in customer care.

2. Negative words–Positive body language

For example, you are saying, ‘oh, I am really sorry to hear that but I am afraid it is our company policy’. But, as what people see takes precedence over what they hear, the message the customer receives is ‘what a laugh, wait till I tell the guys about this one!’, again no place in customer care.

3. Positive words–Negative body language

For example, you are saying, ‘Right, if you leave it with me, I will have your problem sorted out as quickly as possible. Yes. I’ll get on it straight away’. The message actually received, however, is ‘Just my luck to be lumbered by this one’. Again, it has no place in customer care.

4. Positive words–Positive body language

The customer will receive the message you intend to transmit.

Finally, the whole process does, of course, work in reverse. When a customer is communicating with you, you can ‘look beyond’ the words, interpret the body language, determine how they really feel and act accordingly.

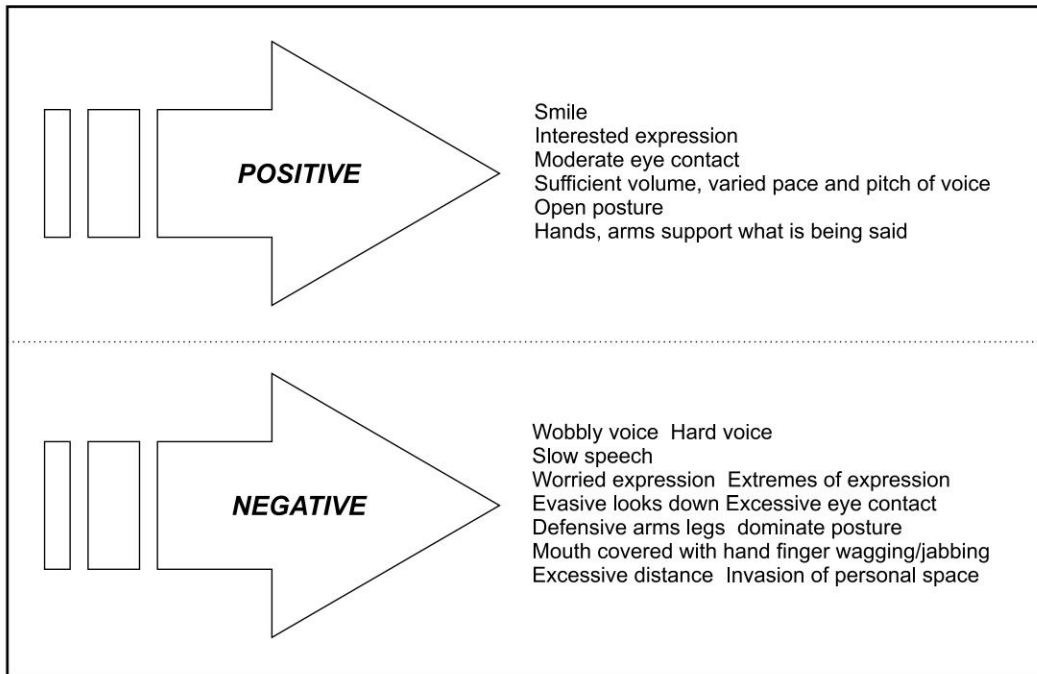


Fig. 7.16 Body language and customer care

In brief, therefore, pay special attention to body language, keep it positive and keep it synchronized with the words you use. You may find the following pointers useful (Fig. 7.16):

- Smile and make eye contact with customer. Look interested in them and in what you are doing.
- Use your posture to show that you are alert, relaxed and socially comfortable.
- Use your hands to support the points you are making and show you are an ‘open’ communicator.
- Remember too that your overall appearance (grooming, cleanliness, clothes, etc.) is all part of the information you transmit, so it should be appropriate.

This is how we can always exceeds the guest expectations and render ‘Delighted Service’.

Understanding Cultural Differences

It is important to know the *cultural difference* while dealing with international guests. Let us now try and understand the cultural difference of various nations.

Eating habits

- Pork is not eaten by Muslims for religious reasons.
- Christians keep horses, dogs and cats as pets.
- Fish is neutral.

Religion

- Religion has an important place in many societies.
- Knowledge of religion of host nation is very important.
- Respect religious beliefs.

Gift Giving

- If invited to a home for dinner, it is permissible to bring a token gift of flowers, chocolates, a craft from your home region, or wine.
- Illustrated book from home region can be another welcome gift.
- A preserved food product unique to your home region can also be a good choice.

Australians culture

- They generally prefer direct eye contact. People who avoid eye contact may not be perceived as trustworthy.
- They tend to be enthusiastic conversationalists and debaters.
- Do not boast about yourself or your company's accomplishments. Instead, Australians prefer to judge your competence and abilities through actions.
- Sport is a common topic of conversation.

Chinese culture

- Being late for an appointment is considered a serious insult in Chinese business culture.
- Business and government hours are 8 a.m. to 5 p.m., Monday through Saturday.
- Most Chinese workers take a break between 12 p.m.–2 p.m. Practically everything 'shuts down' during this period, including the elevator and phone services.
- During a meal, expressing enthusiasm about the food you are eating is a welcome, and usually expected topic of conversation.
- The Chinese will decline a gift three times before finally accepting, so as not to appear greedy. You will have to continue to insist.
- Once the gift is accepted, express gratitude. You will be expected to go through the same routine if you are offered a gift.
- Eight is considered one of the luckiest numbers in Chinese culture. If you receive eight of any item, consider it a gesture of good will.
- Six is considered a blessing for smoothness and problem-free advances.
- Four is a taboo because it means 'death.' Other numbers such as '73' meaning 'the funeral' and '84' meaning 'having accidents' are to be avoided.

French culture

- Ensure that you make appointments for both business and social occasions. While you should strive to be punctual, you will not be considered late if you arrive ten minutes after the scheduled time.

- French employees get five weeks of vacation, and take at least three in July or August. Moreover, France practically shuts down in August.
- Avoid making personal inquiries in the course of a conversation, especially during first introductions.
- Esoteric books and music are often valued as gifts.
- You are invited to a French home, consider it a rare honour. Bring flowers, quality chocolates or liqueur to the host, and present your gift before the entertaining proceeds.
- If you decide to bring flowers, remember that chrysanthemums are for funerals, red roses for lovers. A gift of carnations can often be interpreted as a sign of bad will.
- In accordance with the French business protocol, use first names only when invited.
- Business lunches are preferred to dinners. Actual business, however, is not supposed to be conducted during lunch or dinner.
- Sharing a meal is intended to help establish a personal acquaintance. If business has to be discussed, wait until dessert is served.

Japanese culture

- Punctuality is necessary when doing business here; the Japanese believe it is rude to be late.
- During three weeks of the year (New Year's holidays, December 28 to January 3; Golden Week, April 29 to May 5; and Obon, mid-August), many Japanese visit the graves of their ancestors.
- It is a good policy to refrain from discussing business until the first few minutes of any conversation, unless your Japanese companion says 'Jitsu wa ne...' (i.e. the fact of the matter is...)
- The best time to present a gift is towards the end of your visit.
- Lilies, lotus blossoms, and camellias are associated with funerals. White flowers of any kind should be avoided.
- Giving four or nine of anything is considered unlucky.

Russian culture

- Usually, Russians have three names.
- The first name is a given name, while the last name is the father's family name.
- The middle name is a version of the father's first name, known as a patronymic; for a man, it ends with the suffixes 'vich' or 'ovich' meaning 'son of'. For a woman, the patronymic is also the father's first name but with suffixes 'a' or 'ova' added, which means 'daughter of'.
- If your Russian companions decide to invite you out, expect to be treated to lavish entertaining in a restaurant.
- The centre seats are reserved for the most senior officials. You should be seated on the opposite side of the table from your Russian counterparts.
- Your hands are expected to remain visible above the table.
- Russia is a drinking culture. Refusing to drink is unacceptable unless you give a plausible excuse, such as explaining that health or religious reasons.
- Generally speaking, Russians take pleasure in giving and receiving gifts.
- When invited to a Russian home, bring a gift of chocolates, dessert items, good wine, or other alcohol.

- Pink, cream-colored, orange and blue flowers are rarely awarded any special meaning and, thus, are quite acceptable selections.

Saudi Arabian culture

- The standard greeting is As-salam alaikum, (peace be upon you) to which the standard reply is Wa alaikum as-salam (and upon you be peace).
- If the room is carpeted, the visitor should remove his shoes and leave them outside to avoid bringing in impurities and thereby rendering the carpet ritually unclean for prayer.
- Once seated, crossing legs is perfectly acceptable, provided one does not direct the sole of the foot to an individual that is a 'go away' gesture.
- When the visitor is entertaining in a restaurant or hotel, tipping is the same as in Europe; ten percent over and above the service charge if merited.
- Hospitality is merely a courtesy and should not be interpreted as a harbinger of commercial success. In fact, lavish hospitality often serves to soften the letdown of an unsuccessful venture.

Thai culture

- Appointments in Thailand are always best made a few days in advance, and then confirmed again on the day.
- If you wish to include a bit of Thai culture into your daily life, the easiest [and safest] way is to use Khun as a prefix, instead of Mr and Ms when addressing people.
- Thais love to eat and food is a central feature of most activities.
- The host and the more senior members of the group should be seated first and will normally encourage you to sit first.
- Do not put several dishes onto your plate of rice and then eat them. Instead place a small amount of one dish on your rice, eat it, and then add some more from another dish.

British culture

- Punctuality is appreciated but no one really minds if you arrive a little late (upto 15 minutes) for a one-to-one meeting.
- The British speak in low, moderate, measured tones without raising the voice or gesticulating wildly for emphasis.
- The best time for a serious and productive business meal is lunch. Breakfast meetings are not popular (even in London).
- After-hours drinks or a light supper afford the opportunity for informal soundings.
- Dinner tends to be reserved for more sociable or celebratory entertaining when spouses are quite likely to be invited.
- Business gifts are never exchanged at Christmas.
- Small gifts such as a pen or a book, again suitably inscribed, would be suitable tokens of genuine gratitude and flowers or wine/champagne suffice to thank (junior) colleagues for their services.
- Whenever you have been a guest in a home, you should definitely send a hand-written thank you note.

American culture

- People in the United States write the month first, then the day, then the year [i.e., December 5, 2006 is written 12/5/06].

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- Generally, Americans like to laugh and enjoy being with people who have a sense of humour.
- Until you know a person well, avoid discussing religion, politics or other controversial subjects.
- Sports are very popular in the US, especially baseball and football.
- Business breakfasts are common, and can start as early as 7 a.m.
- On weekends, many people partake in 'brunch', a combination of lunch and breakfast beginning anywhere from 11 a.m. to 2 p.m. Business meetings may be held over brunch.
- It is common to invite a business guest to one's home in the US.
- Be aware that it is a custom in many US homes to give guests a tour of the general rooms of the house when guests arrive.

Swiss culture

- The Swiss are perhaps the most punctual people on the earth. You should arrive for any engagement at precisely the appointed time, not early—your counterpart may be unprepared—and certainly not late.
- It is recommended that you bring an assortment of gifts for different occasions.

Non-verbal Communication—Cross-Culture Perspective

- Communication experts believe that what a person does with the lower limb is the key to the body language. For example, 'a guest may claim to be relaxed, yet the legs are crossed tightly, and one foot thrusts so rigidly in the air that it appears to be in the verge of breaking off'.
- Touching the side of one's nose in Britain means asking for confidentiality but the same gesture in Italy issues a warning.
- Folding arms across the chest is a sign of arrogance and pride in Finland and disrespectful in Fiji.
- In Asian and Arab countries, crossing of legs is seen as impolite, as it is showing the sole of the shoe.
- Gift of Knife to Latin American and Chinese signifies cutting of relationship.
- In Islamic countries, gift of liquor is offensive but fountain pens are excellent business gifts.

Customer Delight

Deliver more than the demand to create the customer delight. Why has good customer service become so important these days? It is simply because customers, who are not getting quality support, are turning their backs to the sites that do not deliver. And they are doing so with unprecedented speed. As someone once aptly said, 'If we do not take care of our customers, someone else will!' Not only do you lose that customer for life, they may tell their friends about how badly they were treated by the company, or even worse, drop a note in a user group or other forum that is heavily trafficked. Before you know it, you are out of business. On the other hand, if you deliver legendary client support, this same mechanism could work really well for you. In the meantime, you are converting ordinary customers into lifetime customers, just by delivering some extraordinary service.

So, what is the essence of great customer service?, ‘A customer defines good customer service as how she perceives that an organisation has delighted her, by exceeding to meet her needs.’ At the core of customer service is the fact that it adds value. No customer will ever feel delighted when you do not add value.

If your product delivers less (perceived) value than what the customer paid for, you do not do her a service? If your site has little information value for your customer, the customer does not feel delighted? If the sales clerk does not offer any help when your customer is looking for something, she does not feel valued. Therefore, customer service is added value. Customers are finely tuned in on added value. They are constantly evaluating your business for how much value it added. In the end, they will always go for the business they feel is adding the most value to them. This is not just about money. Value can have many forms. Sometimes you add value by just offering a genuine smile. Empathizing with a customer who has had a bad break can add value. A sincere complement can add value. Peter Drucker said, ‘Quality in a service or product is not what you put into it. It is what the client or customer gets out of it’.

However, the people who often add the most value to the business are often the least valued. This may be because many businesses fail to appreciate that adding value to customers equals to adding value to the business. A common definition for customer service is: ‘Customer service is a function of how well an organisation meets the needs of its customers.’

The definition may be appropriate if you substitute meets with exceeds, because just meeting the needs of your customers does not hack it anymore these days. But, you will have to do better than that! Also, there is no quality statement in this definition. It essentially allows the quality of service to vary from customer to customer.

So, a better definition could be, ‘Customer service is a function of how well an organisation is able to constantly and consistently exceed the needs of the customer’.

Therefore to sum up, customer service has the following features:

Is able to It is an ability, a skill.

Constantly and consistently They are doing it all the time and have proven this ability.

Exceeds the needs There is more customer delight than customer satisfaction.

The customer Customer service makes the customer an individual, rather than a group, with his special set of needs and wants.

The question that arises is that is the customer service department doing all the work?

The answer is no. It is important to remember that your customer took time out to search and find you. They have shown an interest in your product; information or website, may have tried everything in their power to contact you, either picked up the phone or typed a message, or may have paid money already! If you look at this, this customer must really be motivated! Therefore it is important not to turn your back on this customer now, or they may turn their back on you!

It is the time to take a more “customer centric” approach. “A customer defines good customer service as how she perceives that an organisation has delighted her, by exceeding her needs”. So what happened to “ability” and “constantly and consistently”, which was in the previous customer service definition? Well, the customer does not care all that much if you give others good service, as long as you will give her good service all the time (but how you treat others is naturally a good predictor for customers as to how you will treat them). So you have to have the ability to constantly and consistently OVER deliver to make sure that the individual customer is delighted. And as you can see, in the end there is no truth, only perception. In other words, DELIGHT your customer or DIE a natural death being crushed by your tough competitors.

I AM A NICE GUEST

Do you know me? I am a nice guest, I never complain no matter what kind of service I get. I will go into a hotel and stand at the Front Desk for a long time while the Receptionist busies herself with some books or figures and never bothers to notice me. Sometimes someone arrives after I do and gets taken care of right away, but I don't say a word. If the Reservation Assistant can't find my reservation or the room is not ready, I am nice about it. When the Bell Boy seems annoyed that I have checked in, I try not to take it personally.

When I go to dine, I am thoughtful of the other persons. If I get a grouchy waiter or waitress who is annoyed because I want to study the menu a bit, I am polite as I can be; I don't believe that rudeness in return is the answer. You might say I was not raised that way. And it is seldom, I ever send anything back to the kitchen. I have found people are just about always disagreeable to me when I do. You know, life is short, too short for indulging in these unpleasant little scrimmages.

I am often too intimidated by the Captain to complain when I order a steak medium and it is served almost raw. I never kick. I never nag. I never nag. I never criticize. I would not dream of making a scene, as I have seen some people doing in public places. I think that's awful. I am a nice guest and I always give a tip. I will tell you what else I am. I am THE GUEST WHO NEVER COMES BACK.

That is my little revenge for getting pushed around.....

That is why I take whatever they handout I know I am not coming back. It is true that this does not relieve my feelings right off as much as telling them what I think of them, but it is far more deadly.

In fact I share my experience with friends and they tell to their friends and they tell to their friends A nice guest like me, multiplied by other of my kind, can just about ruin a business, and there are a lot of nice people in this world just like me. Together we account for millions of Rupees every year. When we get pushed around for enough, we go down the street to another hotel or restaurant. We go places where the help appreciate nice guests.

He laughs best, they say, who laughs last. I laugh when I see them go frantically spending their lots of money on advertising and special promotions to get me back – when they could have kept me in the first place with a few kind words, a smile and some simple courtesies.

SO LONG – I WILL NOT BE SEEING YOU.

||| SERVICE RECOVERY

As discussed in the previous section, we always aim to provide delighted service to our guests. But at times, we notice a gap between the guests' expectations and the actual delivery of service. This makes a guest unhappy. Whenever there is a *negative gap* between the expectation and delivery, there is dissatisfaction and guests experience the 'OOUCH!' environment. Whereas, when the *gap is positive*, guests experience the 'WOH!' environment. We should always be very careful to exceed the guest expectations each and every time.

In spite of every effort we take, whenever we feel the guest is unhappy, we need to recover the bad service rendered. So that, we ensure the guests keep coming back.

As we have learnt that most of the guests do not even complain when they are dissatisfied, but few guests do complain and we must take this opportunity to recover the service.

All guests have certain expectations when they come to the hotels, due to brand image, advertising, previous stays, etc. When their actual experience is below their expectation, they feel let down and that is when they complain.

Benefits of Receiving Complaints

- It is a situation the guest feels he or she cannot handle and turns to 'you'.
- It is another opportunity the guest is giving you to serve again.
- We become aware of our shortcomings and can work towards avoiding future complaints.
- For every 1 guest that complains, there are 10 others who do not, the one who does not complain in fact on an average tells 25 others.
- it helps us to establish a rapport.

Entry Points for Complaints

- Employees serving customers face-to-face or by phone
- Intermediaries acting for original supplier
- Managers contacted by customers at head/regional office
- Complaint cards mailed or placed in special box
- Complaints passed to company by third-party recipients:
- Consumer advocates
- Trade organisations
- Legislative agencies
- Other customers

Some Common Causes of Complaints

- Unnecessary delays
- Rude staff and negative attitudes
- Overcharging and perceived expensive
- Faulty equipment
- Not getting what was specified
- Indifference in attitude
- Preferential Treatment
- Habitual
- External factors such as delayed flights/traffic /bad road condition, etc

Turning Situations into Complaints

- Not listening actively
- No follow-up
- Assumptions about the guest
- Take the complaint personally

- Bad humour
- Blaming or transfer of fault
- Ignoring specific needs
- Using clichéd solutions
- Unprofessional presentation

How to prevent complaints?

- Be observant
- Be proactive
- Listen attentively
- Confirm orders
- Pay attention to detail
- Understand specific expectations and needs
- Be courteous
- Be sincere and dedicated

Cause and Symptom Based Solution

Causes:

- The cause of a complaint is the basic reason why the complaint occurred.
- Treating the cause of a complaint is the total and final solution.
- The cause of the complaint should be looked into in order to evolve a proactive management style.

Symptoms:

- The symptom is the situation at hand due to the cause.
- Treating the symptom of a complaint is a temporary remedy.
- It is imperative to treat the symptom immediately upon receipt of a complaint.
- This is a reactive style and can constitute losses on revenue in the long run.

It is clear that when there is gap between expectation and experience, complaint arises.

Complaint-resolution Procedure

Before meeting the guest:

- Have positive frame of mind.
- Collect background information.
- Act swiftly.

Upon meeting the guest:

- Choose a discreet place.
- Show open body language.
- Listen attentively.
- Do not interrupt.
- Do not take it personally.
- Empathize.

- Offer alternatives.
- Ask questions to clarify.
- Apologise for the specific cause.
- Thank the guest.
- Let guest choose the best alternative.

After meeting the guest:

- Execute solution or refer to appropriate authority.
- Follow up to ensure action.
- Make a note for future reference.

Always remember:

- Guests are our first concern.
- Do not let their requests, needs, expectations and wants sink.

SUMMARY

This chapter has been divided into five sections, viz. planning and evaluating, budgeting, yield management, service management and service recovery. In the first section, we have learned how to do forecasting for room availability, use of forecast forms, e.g. ten-day and three-day forecast forms. We have come to know what should be the checklist for accurate room count. Then we have familiarised ourselves about room count considerate and how we evaluate front office operations through daily operations report, hotel income statement, room division income statement and room division budget reports. In the second section, we have learned about budgeting, where we have discussed objectives and advantages of budgeting, how to prepare budget for front office and their key factors. We have also discussed forecasting room revenue, estimating expenses and refining budget plans according to the changing needs.

The chapter then has moved on to discuss the history of yield or revenue management, its goals and yield-measuring techniques. In this section, we have looked at two very important aspects of the rooms management function of front office operations. The first part has looked at the use of yield management as a method of maximising a hotel room's revenue as well as its space. It has been seen that it is not sensible to sell a hotel bedroom for any price, despite how hard the sales department of a hotel may try to convince you. The role of the sales department is to show that they have all of the rooms, or at least as many as they can get, full. The rooms division manager has another agenda, which is the most important objective of the company and its shareholders: to maximise the revenue achieved from a hotel bedroom. To do this, the appropriate front office staff are required to be vigilant about external constraints and trends, competition, in-house promotions, the effects of the weather, and so on. Based on all this information, the staff are able to decide the extent to which they could insist on full rack rates rather than offer discounts of one sort or another.

In the fourth section of this chapter, the ultimate objective for the purpose of our functioning—service management—has been dealt, which is our one and only goal being a professional in the service industry. In hospitality industry, we render service not only to meet our guests' expectation but also to exceed their expectation each and every time. The chapter has discussed at length the meaning of service and the ingredients required to develop service that we need to deliver to our valued guests. The service quality, tangible and intangible nature and needs of service have been elaborated. We have discussed what is 'moment of truth' and its importance and subsequently we have understood how to make every guest a loyal guest so that we may achieve and exceed our financial goals. Various components of guests' expectation and most importantly the role of our body language in guest satisfaction have been dealt with. Lastly, we have discussed various cultural differences and true meaning of customer delight so that we are in a position to deliver best possible service to our valued guests.

In the last section of this chapter, it has been highlighted that in spite of our sincere efforts, at times, we cannot satisfy our guests for various reasons and we might receive complaints from them. The complaints from the guests have to be dealt with utmost sincerity so that we can not only recover our service failure but also use these learning experiences for future reference. Here we have learned various common causes of complaints, benefits of receiving complaints and how ignorantly we turn situation into complaints. We have learned to resolve complaints by using psychology so that we can retain and increase our brand image through word of mouth.

III KEY TERMS

Room availability	No-show	Forecast form
Booking horizon	Room count	Average daily rate
RevPAR	Average Rate per Guest	Hotel Income Statement
Operating Ratios	Budgeting	Rooms revenue
Yield management	Service management	Service quality
Service recovery		

III REVIEW QUESTIONS

- How will you forecast room availability? Discuss.
- Draw and explain three-day and ten-day forecast forms.
- What is room count considerate? Make a check list for accurate room count.
- Discuss in details how you will evaluate front office operation.
- What is budget? Write the objectives and advantages of budget in front office.
- Discuss the elements in preparation of front office budget.
- How will you estimate expenses? Discuss the necessity of refining budget plan.
- Discuss the history of yield management.
- Write the procedure of measuring yield in room division.
- Explain the following:
 - o High- and low-demand tactics
 - o Booking horizon
 - o Threshold curve
 - o Capacity management
 - o Competition pool
 - o Fair revenue share
 - o Revenue penetration index
 - o Uses of RevPAC and RevPAR
- Explain tools and strategies of yield management.
- What do you understand by the term service? Discuss.
- Explain tangible and intangible needs of service. Also discuss ‘moment of truth’.
- Discuss four types of service processes.
- What are the seven gaps that lead to customer dissatisfaction? Explain with the help of a diagram.

16. Why is it important to be positive? Give some points to develop positive attitude.
17. Discuss the role of body language in the service industry.
18. Compare and contrast the cultural differences of any five countries.
19. Explain what is customer delight and its importance.
20. What is service recovery? Explain the procedure for service recovery.

||| PROJECT WORKS

Visit an established hotel and find out how they forecast room availability.

Glossary

Accountancy cycle A period (can be daily, weekly, monthly or yearly) from when a financial transaction occurs to the time it is reconciled and is shown on the financial report of the company.

Access time The amount of time required for a processor to retrieve information from the hard drive; recorded in milliseconds.

Accounts payable Financial obligations the hotel owes to private and government-related agencies and vendors.

Accounts receivable Amounts of money owed to the hotel from guests.

Account receivable load Out of the total sales, the proportion of sales that are charged to accounts and are to be collected on later dates.

Accounts receivable ledger A ledger of the aggregate of individual account receivable records.

Account settlement The payment of outstanding balance on the folio or city account by the consumer, either by cash or by credit (i.e. an agreement of the amount of outstanding bill at a later date).

Accounting system System of accounting for recording, analysing and summarizing the financial transactions of the company.

Advance deposit An amount of money that is sent by the prospective guest in advance generally deposited in the guest account, also called deposit reservation.

Advances Any amount of money disbursed for guests, such as loans and payments, made on behalf of the guests. (This amount is charged to the account like other charges; also called cash paid out of cash disbursement.)

Affiliated hotel A hotel that is usually on franchise or referral system of another group or chain.

After departure Also called late charge, refers to any credit purchase money voucher that reaches the bills section after the guest has settled his bill and checked out. (This requires late charge billing.)

- Agency ledger** That section of the city ledger where the travel agency transactions accounts are recorded.
- Aging of accounts** Determining the stage of the payment cycle—such as 10 days old, 30 days overdue, 60 days overdue.
- AHLA** American Hotel and Lodging Association
- Allowance** Refers to the amount that is reduced from the guest; folio as an adjustment against improper, unsatisfactory or no service to the guest; also called account allowance. (It may also occur due to a posting error.)
- All-suites** A level of service provided by a hotel for a guest who will desire a more at-home atmosphere.
- Amenities** Personal toiletry items, such as shampoo, toothpaste, mouthwash, and electrical equipment.
- American Plan (AP)** A room rate that includes all meals as well as room rental, in the room rate.
- Assets** Items that have monetary value.
- Assistant General Manager** A person in a position in the hotel who executes plans developed by the corporate owners, general manager, and other members of the management staff.
- ASTA** American Society of Travel Agents
- Athletics Director** The person responsible for supervising physical exercise facilities for guests.
- Atrium concept** A design where guest rooms overlook the lobby from the first floor to the roof.
- Audit** The review, test and verification of financial transactions in an accounting system.
- Authorization approval code** The authorization approval by credit card company for the extension of credit limit facility in case the credit card holder's credit is about to exceed the assigned floor limit.
- Average daily rate (ADR)** A measure of the hotel staff's ability in selling available room rates; computed as room revenue/number of rooms sold.
- Average rate per guest (ARG)** The average of the revenue earned per guest by the hotel for an accounting period; calculated as the total room revenue collected for the day divided by the total number of guests accommodated for that day.
- Average room rate/revenue (ARR)** The average money collected from the sale of total number of rooms by the hotel for an accounting period ; calculated as the total room revenue collected for a day divided by the total number of rooms sold for that day; also referred to as sales per room occupied.
- Back office** The accounting office of a hotel.
- Back office accounts payable** Amount of money that has been pre-paid on behalf of the guest for future consumption of a goods or service (sometimes referred to as back office cash accounts).
- Back to back** A travel trade term that refers to a sequence of consecutive group departures and arrivals, usually arranged by tour operators, so that rooms are never vacant, i.e. a manner of operating tourists on a consistent and continuous basis.
- Back-of-the-house** Those areas and sections of a hotel with which normally the hotel resident guest does not come in direct contact.
- Balance sheet** An official financial listing of assets, liabilities and owner's equity.

Bank Refers to the petty cash or float / imprest money given to cashier for making day-to-day small payments such as VPO.

Bank cards Credit cards issued by banks, e.g. Visa and Master Card.

Banquet Manager A person who is responsible for fulfilling the details of service for a banquet or special event.

Banquet sheet A listing of the details of an event at which food and beverage are served.

Bed and breakfast A type of meal plan, also called continental plan, where the room tariff quoted includes the continental breakfast along with the room rate.

Bed board Usually, a hardboard provided on the bed on special request of the guest.

Bed occupancy A ratio of the number of beds sold to the number of rooms available for sale. (When the ratio is multiplied by 100, the figure obtained is bed occupancy percentage; also called guest occupancy.)

Bell captain A person who is in charge of bell desk staff, i.e. uniformed staff; also called hall porter.

Bell desk/bell stand A special desk located in the lobby from where the senior bell captain operates with his team; also called “porters’ lodge”.

Bell staff The staff that familiarize the guests with their new surroundings, run errands, deliver supplies, provide them with information on in-house marketing efforts and local attractions, and act as the hospitality link between the lodging establishment and the guests.

Bermuda Plan (BP) A type of meal plan where the room tariff includes along with room rate the American breakfast rates.

Bill-to-account An extension of credit to a guest by an individual hotel that requires the guest or the employer of the guest to establish a line of credit and to adhere to a regular payment schedule.

Blacklisted guest A list of unwanted guests and these may be those guests who make a lot of fuss and create problems for the hotel, (non-payment of bill, damage to hotel property, misbehave with its staff and/or other guests of the hotel, etc.). FHRAI is usually informed about such guests.

Blanket reservation A block of rooms held for a particular group with individual members requesting assignments from that block, i.e. a unit that has been reserved for a specific arrival date but not for a specific guest; also referred to as blocked room.

Blocking procedure Processing of reserving a room on a specific day.

Blocking on the horizon Reserving guest rooms in the distant future.

Booked room A room reserved for a specific guest.

Bounced reservation When due to some error in planning, a guest with reservation refuses accommodation; also called walking the guest.

Bottom up A sales method that presents the least expensive rate first.

Brown-outs Partial loss of electricity.

Brunch A meal served between breakfast and lunch and usually served in place of these two meals.

Bucket A specially designed collapsible rack that is normally kept on the cashier’s counter top for holding the guest folio; also called “cashier’s well”, “folio tray” and “tub”.

- Budget** A statement of expected/projected expenditure constructed from anticipated/projected revenue and available financial resources for a period of time, usually one year.
- Bumped reservation** Refusal of accommodation to a guest holding confirmed reservation and subsequently putting him in some other hotel.
- Business affiliations** A chain or independent ownership of hotels.
- Business centre (business services and communications centre)** Guest services that include copying, computers, fax and so on.
- Cabana** A room on the beach or near the swimming pool of a hotel, away from the main building.
- Call accounting system** A computerized system that allows for automatic tracking and posting of outgoing guest room calls.
- Cancellation code** A sequential series of alphanumeric combinations that provide the guest a reference for a cancellation of a guaranteed reservation.
- Call sheet** A sheet that records list of room numbers, and times of the guests requiring to be called; also called wake-call-sheet (also contains details such as newspaper, early morning tea and breakfast required by the guest).
- Card key** An electronic or magnetic small plastic card used in electronic locking system that operates through a master control console at front desk which is wired to every guest room door; also called magnetic or electronic card.
- Cash bank** A specific amount of paper money and coins issued to a cashier to be used for making change.
- Cash drawer** A removable metal or plastic tray inside a cash register that holds; paper money and coins.
- Cash flow** It is the time period between the goods or service sold to a customer to the period actual cash for that sale is received.
- Cashier** A person who processes guest checkouts and guest legal tender and makes change for guests.
- Cashier's report** A daily cash control report that lists cashier activity of cash and credit cards and machine totals by cashier shift.
- Casino hotel** A hotel with gambling facilities.
- Chain** A group of hotels that follow standard operating procedures such as marketing, reservations, quality of service, food and beverage operations, housekeeping, and accounting.
- Chain affiliations** Hotels that purchase operational and marketing services from a corporation.
- Chamber maid** A housekeeping staff normally responsible for cleaning of rooms and bed making.
- Chance trade** Business done usually for cash with chance guests.
- Change** Moving a guest from one room to another for various reasons.
- Charge back** Sometimes the credit card company refuses the payment of a voucher signed by the customer which is sent by the hotel and this situation is called charge back.
- Check-in** Procedure of receiving the guest, assigning and allocation of room and registering of a guest in the hotel.

Check-out The procedure involved (baggage handling, bill settlement, etc.) at departure time.

Check-out time/hours It is the time by which the guest should check-out; otherwise next day's charges will be charged. Usually, it is 12:00 noon.

CIP Commercially Important Person—a person who has influence over a large number of prospective buyers.

City ledger accounts A collection of accounts receivable of non-registered guests who use the services of the hotel.

City ledger folios A file imprinted with the hotel's logo and a control number to maintain charges and payments for non-registered guests of the hotel who use an accounts payable system for billing.

Close of the day An arbitrary hour fixed by the hotel which separates the record of one day from the next day.

Closed Dates for which a reservation system will not accept additional reservation.

Closet bed A standard size bed that swings into a wall or cabinet in the form of a closet.

Collective bargaining unit A labour union.

Commercial cards Credit cards issued by corporations; Diners Club is an example.

Commercial hotels Hotels that provide short-term accommodations for guests; are situated at the heart of the city and provide modern facilities.

Commercial rates Room rates for business people who represent a company but do not necessarily have less bargaining power because of their infrequent or sporadic pattern of travel.

Commission Amount payable to travel agents for arranging groups stay in a hotel; an amount payable to an agent, usually based on business given to hotel.

Commissionaire Member of uniformed staff whose place of duty is outside the main entrance of hotel; also called door man, link man and carriage attendant.

Communications hierarchy A listing of the order of management personnel who may be called upon to take charge in an emergency situation.

Company-owned property A hotel that is owned and operated by a chain organization.

Complimentary rate A rate for which there is no charge to the guest.

Computer supplies Paper, forms, ribbons, ink cartridges, and floppy disks needed to operate the PMS.

Concessionaire Abbreviated as concession, sometimes refers to the shops providing services, amenities, facilities, etc. to the resident guests; generally they are not operated by the hotel and are rented to experts; also called rentals

Concierge A person who provides an endless array of information on entertainment, sports, amusements, transportation, tours, church services, and baby-sitting in a particular city or town

Conference call Three or more persons linked by telephone.

Confirmed reservations Prospective guests who have a reservation for accommodations until a specified time period.

Contribution margin It refers to the difference between the sales and total variable costs of any item or group of items.

- Contribution to profitability** It refers to the difference between contribution margin and fixed expenses or sales (variable cost + fixed expenses).
- Control folio** Refers to group folio; also called master folio some time.
- Control number** A sequential number placed on a form controller; the internal accountant for the hotel.
- Convention guests** Guests who attend a large convention and receive a special room rate.
- Convertible bed** A sofa that can be converted into a single or double bed; the bed is also called sofa convertible into bed.
- Corkage** Refers to charges made by a licensed establishment for providing service equipment and bottle, soda, etc. to customers who bring their own alcoholic beverage for consumption in the hotel.
- Corporate client** A hotel guest who represents a business or a guest of that business who provides the hotel with an opportunity to establish a regular flow of business during sales periods that would normally be flat corporate guests; frequent guests who are employed by a company and receive a special room rate.
- Corporate rates** Room rates offered to corporate clients staying in the hotel.
- Cost benefit** It is a financial analysis to determine if the benefits of the system are more as compared to the cost of the system or not.
- Cost centre** Also called non-revenue departments of hotel, it refers to all those operating departments of hotels that are non-revenue producing. These departments simply incur cost and have very little or no contact with the guests.
- CPS Characters** Per Second; the number of printed characters per line per second, and pages per minute.
- Credit balance** Amount of money a hotel owes guests in future services.
- Credit card imprinter** It makes an imprint of the credit card that a guest will use as the method of payment.
- Credit card validator** A computer terminal linked to a credit card data bank, which holds information concerning the customer's current balance and security status.
- Credit card volume** A proportion of total sales that is on credit; this figure is an indicator of cash flow position of a hotel.
- Credit limit** This is the limit of amount of money up to which a guest is allowed credit facility. After the limit is reached, the hotel requests the guest to clear his/her bill, either partly or fully.
- Credits** A decrease in an asset or an increase in a liability or an amount of money a hotel owes the guest.
- Crisis management** Maintaining control of an emergency situation.
- Cross-training** Training employees for performing multiple tasks and jobs.
- Cumulative total feature** An electronic feature of a posting machine or PMS which adds all posted room rate amounts previously entered into one grand total.
- Current guests** Hotel guests who are registered in the hotel.
- Cut-off-date** The date by which the confirmation should come; otherwise after this date the block of rooms is released for general sale.

Cut-off-time/hour The specified hour/time at which the unclaimed reservation are released and can be sold to any walk-in (i.e. if the guest who had booked the room comes after this hour, he may be refused accommodation).

Cycle of service Progression of a guest's request for products and services through a hotel's departments.

D-report A listing of total of the amount of charges posted to the guest accounts by department.

Daily announcement board An inside listing of the daily activities of the hotel (time, group, and room assignment).

Daily function sheet A listing of the planned events in the hotel.

Daily sales reports A financial activity report produced by a department in a hotel which reflects daily sales activities with accompanying cash register tapes or point-of-sale audit trail tapes.

Database interfaces Sharing information between computers.

Day rate Room tariff offered to a guest who stays only during daytime; also called 'day use rate'.

Day use room A status indicating that the room will be used for day only.

Debit balance An amount of money a guest owes the hotel.

Data sorts Report options in PMS that indicate groupings of information.

Debit cards Embossed plastic cards with a magnetic strip on the reverse side which authorize direct transfer of funds from a customer's bank account to the commercial organization's bank account for purchase of goods and services.

Debits An increase in an asset or a decrease in a liability.

Demi pension Also called half pension or modified American plan, it is the room tariff and includes room rent, English breakfast and one major meal (either lunch or dinner).

Demographic data Size, density, distribution and vital statistics of a population; broken down into, for example, age, sex, marital status, and occupation categories.

Density board A simple chart with available rooms listed in vertical columns and the dates in horizontal rows; used to monitor guest reservations.

Departmental accounts Income and expense-generating areas of the hotel, e.g., restaurants, gift shop and banquets.

Departure notification slip A notification slip prepared at check-out time and circulated to all departments informing about the departure of the guest.

Desk clerk A person who verifies guest reservations, registers guests, assigns rooms, distributes keys, communicates with the housekeeping staff, answers telephone calls, gives information and directions to local attractions, accepts cash and gives change, and acts as liaison between the lodging establishment and the guest, as well as the community.

Difference returnable Also called 'due back' or 'due bank', it refers to the excess turn-in over net receipts; the difference is returnable to front office cashier.

Direct expenses An expense that is incurred only when goods or services are sold and would cease when the service or goods is no more sold, for example expense or cost of food to a restaurant.

Direct-mail letters Letters sent directly to individuals in a targeted market group in a marketing effort.

Director of Marketing and Sales A hotel staff member who analyses available markets, suggests products and services to meet the needs of those markets, and sells these products and services at a profit.

Director of Security A hotel staff member who works with department directors to develop cost-control procedures that help ensure employee honesty and guest safety.

Discount rate A percentage of the total sale that is charged by the credit card agency to the commercial enterprise for the convenience of accepting credit cards.

Discretionary income The money remaining from wages after paying for necessities such as food, clothing and shelter.

Dispense bar A bar from where drinks are obtained by hotel staff for serving to guests.

DNA Did Not Arrive

DNS Did Not Stay

Documentation Printed or on-screen (monitor) instructions to operate hardware or software that accompanies a specific PMS.

Double-double Also called twin double, a room with two double beds, i.e. sleeping accommodation for four persons.

Double occupancy A situation when a room is occupied by two persons .

Double occupancy percentage A measure of a hotel staff in attracting more than one guest to a room; the method to compute a double occupancy percentage is

$$\frac{\text{Number of guests} - \text{Number of rooms sold}}{\text{Number of rooms sold}} \times 100$$

Double up A situation when a room is occupied by two unrelated guests (for each of these, a separate Whitney slip is kept in the rack).

Down grade Moving the guest's reservation to a lower quality room is called downgrade.

Due out Room that is expected to become vacant after the following day's checkout time.

Dunning letters The outstanding bills statements sent by the hotel to former guests from time to time with delinquent accounts.

Duplex A costly suite where the two rooms situated on successive levels are connected through an internal staircase.

Early arrival A guest who arrives before his expected/scheduled date/ time of arrival..

ECO Express Checkout

Eco-tourists Tourists who plan vacations to understand the culture and environment of a particular area.

Efficiency accommodation Accommodation that includes kitchen facilities.

Efficiency rate Measurement of performance designed to measure variance between a desired standard and actual condition.

Electronic fund transfer The method of payment of goods or services in which the transfer of actual cash between two accounts is performed electronically.

Electronic key A plastic, metal or pressed paper key with electronic codes embedded on a magnetic strip.

Electronic key system An equipment composed of battery-powered or, less frequently, hardwired locks, a host computer and terminals, keypuncher, and special entry cards used as keys.

Elevator operator A person who manually operates the mechanical controls of the elevator.

Employee handbook General guidelines concerning employee conduct.

Empowerment Management's act of delegating certain authority and responsibility to frontline employees.

Equity The claim on business by the owners of the business. (If the business is owned by one person, the equity is called capital and earned surplus. A partnership will show the claim of each owner listed separately. A corporation will list its ownership claims as capital stock.)

Equivalent occupancy A situation when the occupancy percentage achieves the same net revenue as was achieved earlier by old price and occupancy percentage.

Ergonomics A study of how people relate psychologically and physiologically to machines.

Escort service A uniformed security guard escorting a hotel employee to a financial institution.

Executive housekeeper A person who is responsible for the upkeep of the guest rooms and public areas of the lodging property as well as control of guest room inventory items.

Express checkout A means by which the guest uses computer technology in a guest room or computer in the hotel lobby to checkout.

FAM (familiarization) tours Complimentary visits sponsored by the lodging property that host representatives of travel organizations, bus associations, social and non-profit organizations, and local corporate traffic managers.

Family rates A room rate offered to encourage families with children.

Farm out In case of a full house, assignment of guests with reservation to other units of chain or other properties.

Fax machines Equipment for facsimile reproduction via telephone lines.

FEMA Foreign Exchange Management Act

FFIT Foreign Free Independent Traveller

FHRAI Federation of Hotels and Restaurant Association of India

Fire safety display terminal A device that ensures a constant surveillance of sprinkler systems and smoke detectors.

FIT Free Independent Traveller (any individual who is not in a group) or a non-affiliated group member; also called Free Individual Traveller.

Fixed room rate A room tariff that is fixed and does not change with the number of guests in the room.; also referred to as flat rate or 'run of the house rate'.

Float The delay in payment from an account after using a credit card or personal check.

- Floor inspector** A person who supervises the housekeeping function on a floor of a hotel.
- Floor limit** An amount set by the credit card agency that allows for a maximum amount of guest charges.
- Floor porter** Male members of housekeeping staff whose duty is lifting and moving of heavy articles within the department.
- Flow analysis processes** Preparing a schematic drawing of the operations included in a particular function folio; a guest's record of charges and payments.
- Folio/guest folio** A statement of guest account, shows the balance of guest's financial obligation to hotel; also called as guest bill or account card.
- Folio well** A device that holds the individual guest folios, city ledger folios.
- Food and Beverage Director** A person who is responsible for the efficient operation of the kitchen, dining rooms, banquet service, room service, and lounge.
- Foot patrol** walking the halls, corridors, and outside property of a hotel to detect breeches of guest and employee safety.
- Forecasting** Projecting room sales for a specific period.
- Franchisee** A hotel owner who has access to a national reservation system and receives the benefits of the corporation's management expertise, financial backing, national advertising, and group purchasing.
- Free sale** This term is used when rooms are available for sale.
- Front** An American term that refers to the next bellboy available for rooming a guest.
- Front-line employees** Employees who deliver service to guests as front desk clerks, cashiers, switchboard operators, bell hops, concierge, and housekeeping employees.
- Front office** The communication, accounting, and service centre of the hotel.
- Front Office Manager** The person responsible for leading the front office staff in delivering hospitality.
- Front of the house** Those parts of the hotel with which the guest comes in direct contact.
- Full day** A way of measuring a chargeable day for accounting purpose for a guest; for example, it will be three meals for an American plan hotel and no meals and only overnight for European hotels.
- Full house** Hundred percent hotel occupancy; a hotel that has all its guest rooms occupied.
- Full service** A level of service provided by a hotel with a wide range of conveniences for the guest.
- Garni hotel** A hotel that has no food and beverage service facility.
- General cashier** The chief cashier of the hotel with whom deposits of all cashiers are made and who also issues floats.
- General ledger** A collection of accounts that the controller uses to organize the financial activities of the hotel.
- General Manager** The person in charge of directing and leading the hotel staff in meeting its financial, environmental, and community responsibilities.
- GIT** Group Inclusive Tour
- Graveyard shift** A work shift that begins from midnight.

Group planner The person responsible for providing guest room accommodations, food and beverage programs, transportation reservations, meeting facilities, registration procedures, tours, and information on sightseeing, while maintaining a budget for group travellers.

Group rate A room rate offered to large groups of people visiting the hotel for a common reason.

Group travellers Persons who are travelling on business or for pleasure in an organized fashion.

Guaranteed reservations Prospective guests who have made a contract with the hotel for a guest room.

Guest An individual client who has registered with the hotel.

Guest cycle The concept of the guest movement to, through and from the hotel for the purpose of writing and monitoring guest and hotel transaction (pre-sale, point of sale and post-sale phases).

Guest day/night Stay of one guest for one night; also called room night and bed night.

Guest folio A form imprinted with the hotel's logo and a control number and allowing space for room number, guest identification, date in and date out, and room rate in the upper left-hand corner; it allows for guest charges to be imprinted with a posting machine and is tiled in room-number sequence.

Guest histories Details concerning the guest's visit such as zip code, frequency of visits, corporate affiliation and special needs.

Guest ledger The accounts of registered guests are recorded in it; also called 'room ledger' or 'transit ledger'.

Guest profile Things such as habits, likes and dislikes of a guest.

Guest test An outside person hired by a hotel to experience hotel services and report the findings to management.

Half day rate A room rate based on length of guest stay in a room.

Handicap room A room with specially designed features for handicapped guests.

Hard key A metal device used to trip tumblers in a mechanical lock.

Hard-key system A security device consisting of the traditional hard key that fits into a keyhole in a lock; preset tumblers inside the lock are turned by the designated key.

High balance When a guest's outstanding bill is near or over the credit limit balance set by hotel; such guests are called high-risk guests.

HOBIC (Hotel Outward Bound Information Centre) A machine that communicates information to the hotel on time and charges for long-distance phone calls.

Hollywood bed Two twin beds joined together with one common head board; the length of one twin bed is 80"–82" instead of the usual 75".

Hospitality The generous and cordial provision of services to a guest.

Hospitality services industry All businesses involved in accommodation, food, entertainment, transportation, health care, etc. to the guest.

Hospitality Television (HTV) A commercial hospitality educational organization based in Louisville, Kentucky, which provides satellite broadcasts to hotels, restaurants, and food service facilities.

Hotel broker A person who sells hotel room prize packages to corporations, sweepstakes promoters, game shows, and other sponsors.

- Hotel representative** A member of the marketing and sales department of the hotel who actively seeks out group activities planners.
- House count** The number of persons registered in a hotel on a specific night.
- House count sheet** A listing of current housekeeping status for guest rooms—occupied, vacant, on change, and out-of-order rooms.
- House limit** Same as credit limit.
- House phone** A telephone usually in the lobby of the hotel from where the visitor can contact the guest in the room.
- Housekeeping report** A daily report that lists the occupancy status of each room according to the housekeeping department.
- Housekeeping status** The terminology that indicates availability of a guest to enter a room such as OCCUPIED (guest or guests are already occupying a room), STAY-OVER (guest will not be checking out of a room on current day), ON-CHANGE (guest has checked out of room, but the housekeeping staff has not released the room for occupancy), OUT-OF-ORDER (room is not available for occupancy because of a mechanical malfunction), and AVAILABLE (room is available for a guest to occupy).
- Hubbart formula** A method used to compute room rates that considers such factors as operating expenses, desired return on investment, and income from various departments in the hotel.
- Human Resources Manager** The person responsible for administering federal, state, and local employment laws as well as advertising, screening, interviewing, selecting, orienting, training, and evaluating employees.
- IAAI** International Airport Authority of India
- IAC** Indian Airlines Corporation
- IATA** International Air Transport Association
- IATO** Indian Association of Tour Operator
- ICAO** International Civil Aviation Organization
- Ideal average rate** A point at which rooms are sold at the best rate possible
- Idle time** Also called hidden rest, this is the period that must be allowed during duty when a person does not work.
- IHA** International Hotel Association
- ILO** International Labour Organization
- Incentive programme** Understanding employees' motivational concerns and developing opportunities for employees to achieve their goals.
- Incidental account** Charges that are guest's own responsibility; not paid by a company or travel agent.
- Independent hotel** A hotel that is not associated with a franchise.
- Information** This is which adds to what is known.; it communicates knowledge, provides feedback and reduces uncertainty.
- Information rack** A rack that has Whitney slips arranged in alphabetical order of all the guests staying in the hotel.

In-house guest It refers to a guest who is registered and not checked-out.

In-house laundry A hotel-operated department that launders linens, uniforms, bed spreads and so on.

In-season rate This is the maximum rack rate that is announced by a resort hotel in season as the demand of rooms is heaviest during this period.

In-room video guest checkout A feature of the property management system that allows the guest to use a guest room television to check out of a hotel.

In-service education Courses that update a professional's educational background for use in current practice.

Inter sell agency A reservation system that handles reservation for many products such as airlines, car rentals and hotels.

Inquiries/reports A feature of the PMS that enables management to maintain a current view of operations and finances.

Interdepartmental communication Communication between departments.

Interface Ability of computers to communicate electronically.

Inter-hotel property referrals It is a system of one member-property recommending another member-property to a guest.

Internal control Verification of documentation of financial transaction.

Intersell cards Credit cards issued by a hotel corporation, similar to private label cards.

Intra-departmental communication Communication inside a department.

Intuitive pricing The pricing of accommodation or services of hotel done on the basis of what people are willing to pay and whatever the market will bear.

James Remindo Timer An alarm clock with pullout pins that front office personnel use to remind them to awaken a guest who has requested a particular wake-up call.

Job analysis A detailed listing of the tasks performed in a job; provides the basis for a sound job description.

Job description A listing of required duties to be performed by an employee in a particular job.

Journal A date-wise record of financial transaction showing the result of various debit and credit entries.

Junior suite/petite suite/mini suite A large room with partition for making separate bed room and sitting room.

Key card A sort of an identification card given to a guest by the receptionist at the time of check in; usually contains general information facility, catering outlets, location of hotel, etc. and should be produced when asked by the hotel staff.. It is also called room key card.

Key clerk A person who issues keys to registered guests and other hotel personnel, sorts incoming mail for registered guests and management staff.

Key drawer A drawer located underneath the counter of the front desk which holds room keys in slots in numerical order.

Key fob A decorative and descriptive plastic or metal tag attached to a hard key.

- Key pad** The numerical portion of a posting machine that is used to enter the guest's room number, charge amount, department key such as room, tax, food, and type of transaction such as cash, charge and transfer.
- King-size bed** An extra -long, extra-wide double bed (78" × 80–82"); an American term.
- Lanai room** A room from the balcony of which a waterfall or a water body can be seen or a room with good view.
- Late arrival** A guest with reservation who intimates in advance to the hotel about the late arrival, i.e. after cut-off time.
- Late charges** Guest charges that might not be included on the guest folio because of a delay in posting by other departments.
- Late check out** A guest who with the permission of the hotel checks out of the hotel after the checkout time, without extra charge.
- Lead maid** An experienced maid who may compliment a housekeeper's job on a floor.
- Light baggage** Also called scanty baggage when the guest arrives with no or little baggage; usually advance is taken from such guest and the departments should be informed not to give credit to him.
- Line balance pickup number** The last line printed on a folio.
- Litigious society** An environment where consumers sue providers of products and services for not delivering products and services according to expected operating standards.
- Lock- out** When a guest is not allowed access to the room usually due to an unpaid bill.
- Log book** A book/ register that is used to record activities and to communicate to the next shift; record of happenings.
- Lost and found** An area where all items found by the staff are stored .
- Luggage pass** An authority for the guest luggage to be removed from hotel; also called baggage out pass or cashier's clearance card.
- Mail and key rack** A pigeonhole type rack used in old hotels for keeping the keys of guest room and the mail of in-house guest when he is not in the room.
- Main menu** Lists on the screen of all the available individual programmes (modules) that are included in the software system.
- Maintenance Manager** A staff member in a limited-service property who maintains the heating and air-conditioning plant, produces guest room keys, assists housekeeping attendants as required, and assists with guest's safety and security.
- Management contract property** A hotel that is operated by a consulting company that provides operational and marketing expertise and a professional staff.
- Manager's report** A listing of occupancy statistics from the previous day such as occupancy percentage, yield percentage, average daily rate, and number of guests.
- Marginal rates** Additional rates for additional guests, for the second, third, fourth, and fifth person; defined by room type.
- Marketing** (i) From the point of view of philosophy, looking at business from customers' perspective; (ii) From function point of view, identifying, anticipating and satisfying the customer's need for a profit.

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Market mix The distribution (percentage wise) of the hotel guests into various categories such as conventioner, tourist and businessman.

Market penetration Going more and more into the market already achieved, i.e. more and more exploring the area that has already given business.

Market segments Identifiable groups of customers with similar needs for products and services.

Market share The share of market (in terms of revenue, number of guest, or any other index) that the hotel captures out of the total market.

Marquee A curbside message board that includes the logo of the hotel and space for a message.

Mass marketing Advertising products and services through mass communications such as television, radio, and the Internet.

Master credit card accounts An accounts receivable that tracks bank, commercial, private label, and intersell credit cards such as Visa and Master Card.

Message book A loose-leaf binder where front desk staff on various shifts can record important messages.

Military and educational rates A room rate established for military personnel and educators.

Modified American Plan (MAP) A room rate that offers breakfast and one meal with the price of a room rental.

Moments of truth Episodes in which a customer comes into contact with any aspect of the company, however remote, and thereby has an opportunity to form an impression.

Money wire An electronic message that authorizes money to be issued on behalf of another person.

Moonlighter A person who holds a full-time job at one organization and a part-time job at another organization.

Motivation Investigating employee needs and desires and developing a framework for meeting them

Murphy bed A bed that is hinged at the base of the headboard and swings up into the wall for storage; another name for this type bed is SICO.

Multiple occupancy A situation when a hotel room is occupied by more than one person.

Needs analysis It indicates the flow of information and services of a specific property to determine if the new equipment—in this case, computers—can improve the flow.

Night audit The control process whereby the financial activity of guests' accounts is maintained and balanced on a daily basis.

Night auditor A person who balances the daily financial transactions of guests who have used hotel services, acts as a desk clerk for the night shift, and communicates with the controller room.

No-post status A term used to indicate a guest who is not allowed to charge purchases to his room account.

No show A guest who does not arrive on the schedule date of arrival after making a confirmed reservation; another term is DNA (did not arrive).

No-show factors A percentage of guests with confirmed reservations who do not show up for their reservation.

Occupancy Sale of room and its occupancy status for a guest.

Occupancy load Refers to occupancy percentage, i.e. the ratio of hotel rooms sold to the number of hotel rooms available for sale.

Occupancy management formula It considers confirmed reservations, guaranteed reservations, no-show factors of. These two types of reservations, predicted stay-overs, predicted under-stays, and predicted walk-ins to determine the number of additional room reservation needed to achieve 100 percent occupancy.

Occupancy mix Also referred to as profile of occupancy which means percentage break up of sold rooms on single, double and annual occupancy.

Occupancy percentage Number of rooms sold divided by the number of rooms available.

Off It means that the room is off the list of rooms available for sale due to some reason.; also called 'red slip room'.

Off-season rate A special reduced rate offered by the hotels during off-season such as by hill resorts.

Omission error By mistake, omitting an important transaction.

On-line A term used to indicate that a computer is operational.

On-the house This term refers to complementary, i.e. no charge.

On-the-job training A training process in which the employee observes and practices a task while performing his or her job.

Open Date for the guest for which a reservation system can still accept reservation.

Operational effectiveness The ability of a manager to control costs and meet profit goals.

Operational reports Operational data on critical financial aspects of hotel operations.

Optimal occupancy Achieving 100 percentage occupancy with room sales which will yield the highest room rate.

Optimal room rate A room rate that approaches the rack rate.

Organization charts Schematic drawings that list management positions in an organization.

Orientation checklist A summary of all items that must be covered during orientation.

Orientation process Introduction of new hires to the organization and work environment, on topics concerning background information about the property.

Out of order (OOO) A room that is not ready for sale due to planned or unexpected shutdown.

Outstanding balance report A listing of guests' folio balances.

Overbooking Accepting reservations for more rooms than are available by forecasting the number of no-show reservations, stay-overs, under-stays, and walk-ins, with the goal of attaining 100 percent occupancy.

Overstay A situation in which the guest does not leave on the day of scheduled departure and continues staying in the hotel.

Package rate A room rate that includes goods and services in addition to rental of a room.

Package tour It usually refers to consolidated charges for services such as accommodation, transfers, meals and transport normally given to groups.

Paid-in advance (PIA) The amount that a guest is required to pay as the room rent in advance, i.e. at the time of arrival.

Paid-outs All the monies paid out of the cashier's drawer on behalf of a guest or an employee of the hotel.

Paid-out slips Pre-numbered forms that authorize cash disbursement from the front desk clerk's bank for products on behalf of a guest or employee of the hotel.

Parking Garage Manager The person responsible for supervising garage attendants and maintaining security of guests and cars in the parking garage.

Parlour The living room part of the studio; also called sitting room. The European term for this is 'salon'.

PATA Pacific Asia Travel Association

Payback period The period of time required for a hotel to recoup purchase price, installation charges, financing fees, etc. through cost savings and increased guest satisfaction; will also assist in deciding whether to install computers.

Peddler's Club A marketing programme meant to encourage repeat business by frequent business persons.

Penthouse Luxury suite on the terrace of a hotel.

Percent occupancy The number of rooms sold divided by the number of rooms available.

Percent yield The number of rooms sold at average daily rate vs the number of rooms available at rack rate.

Plant An outside person who is hired by the hotel to experience hotel services and report the findings to management.

Plant engineer The person who oversees a team of electricians, plumbers, heating-ventilation-air-conditioning contractors, and general repair people to provide behind-the-scenes services to the guests and employees of the lodging property.

Pleasure travellers People who travel alone or with others on their own for visits to points of interest, to relatives, or for other personal reasons.

Plus position A situation when rooms available exceeds guest arrivals.

Point-of-sale An outlet in a hotel that generates income such as a restaurant, gift shop, spa, or garage.

Point-of-sale front office A front office staff who promotes other profit centres of the hotel.

Point-of-sale terminals Computerized cash registers that interface with a property management system.

Policy and procedure manual Outline of how the specific duties of each job is to be performed.

Position Status of the number of rooms available for sale.

Postal code Zip code or pin code

Posting The process of debiting and crediting charges and payments to a guest folio.

Posting machine A mechanical device that imprints guest charges and payments on a folio and maintains individual guest room balances.

Potential average rate The statistics that combine the potential average single and double rates multiple occupancy percentage and rate spread to produce the average rate that would be achieved if all rooms were sold at their full rack rates.

- Potential gross income** The amount of sales a hotel might obtain at a given level of occupancy, average daily rate, and anticipated yield.
- Pre-arrival** That phase which is before the arrival of the guest and after the booking has been done; activities during this period are called pre-arrival activities.
- Pre-assignment** Assignment of room to a prospective guest even before his arrival.
- Pre-registration** An activity before the arrival of the guest where the guest's registration card is filled with all the information which is already available about the guest, i.e. registration before arrival.
- Prior-approved credit** Use of a credit card to establish credit worthiness.
- Private label cards** Credit cards issued by a retail organization, such as a department store or gasoline company.
- Procedure narrative** Description or statement of what is to be done.
- Property Management Systems (PMS)** A generic term used to describe applications of computer hardware and software used to manage a hotel; if networks reservation and registration databases, point-of-sale systems, accounting systems, and other office software.
- Psychographic data** Emotional and motivational forces that affect a service or product data for potential markets.
- Psychological pricing** A system of pricing where the main consideration of costing is not the costs but the expectation of the customer's willingness to pay.
- Quad** A room that can accommodate four persons.
- Queen bed** An American term referring to a double bed of 60" × 80" size.
- Rack rate** The highest room rate category offered by a hotel.
- Rate cutting** Reducing room tariff to attract more business.
- Rate tables** Various rates assigned to categories of guests, which can be created with each rate table capable of handling up to 365 date ranges (rate charges within a year).
- Real time** A computer term that means very fast processing of data where there is practically no time gap between input and output.
- Recreation Director** The person who is in charge of developing and organizing recreational activities for guests.
- Referral property** A hotel operating independently that wishes to be associated with a certain chain; uses national reservation system.
- Refusal report** A report made by some hotels of the names of guests who were refused accommodation due to non-availability to know the excess demand.
- Registration** A process of completion of check-in and the guest signing a registration card or arrival register.
- Registration card (guest registration card—GRC)** A form where the guest supplies name, home or billing address, home or billing phone number, vehicle information, date of departure, and method of payment.
- Reservation** An activity of booking room in advance for a prospective guest on his request and mutual agreement whereby the hotel is bound to provide the guest accommodation on the scheduled day of arrival of the guest and the guest is bound to take it.

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Reservation card index file A collection of reservation cards that indicate guest's name and address, date of arrival, date of departure, etc. for a particular day or month; filed in order by month.

Reservation codes A sequence/series of alphanumeric combinations that provides the guest a reference for a guaranteed reservation.

Reservation form A document where all the detail information about the guest is recorded at the time of booking request.

Reservation horizon The planning period throughout which a hotel will be willing to accept and confirm inquiries for available rooms, i.e. the period up to which the booking for future can be accepted; also called booking lead time.

Reservation rack A part of Whitney system, where all the information of the prospective guest received is recorded; the slips are kept in alphabetical order and the racks are filed chronologically by arrival date order.

Reservation referral system A worldwide organization that processes requests for room reservations at a particular member-hotel.

Reservation sheet A sheet made upon standard 8.5 by 11-inch paper, with available dates in the horizontal level and room numbers on the vertical side, and held in a three-ring loose-leaf binder which is used to track reservations.

Reservations manager A reservations manager takes and confirms incoming requests for rooms, noting special requests for service, provides guest with requested information, maintains an accurate room inventory, and communicates with marketing and sales.

Reservation status Terminology used to indicate the availability of a guest room to be rented on a particular night, i.e., OPEN (room is available for renting), CONFIRMED (room has been reserved until 4:00 P.M. or 6:00 P.M.) GUARANTEED (room has been reserved until guest arrives), and REPAIR (room is not available for guest rental).

Residential hotels Hotels that provide long-term accommodations for guests.

Resident Manager A resident manager is usually responsible for the front of the house and may act as hotel manager in the absence of general manager.

Resort hotel A hotel situated at resort places such as hills and beaches; generally a centre of recreational activities such as winter sports.

Revenue account A part of owner's equity.

Revenue centre All those sections of a hotel that generate revenue.

Revenue forecast report Expected future revenue calculated by multiplying forecasted occupancy by current room rate.

Revenue potential The room revenue that could be received if all the rooms were sold at the rack rate.

Revenue realized The actual amount of room revenue earned (the number of rooms sold \times actual rate).

RNA Room Not Assigned

Role playing Acting out the role before actually being required to do the job.

- Room assignment** Allotting a specific room to a check-in guest.
- Room attendants** Employees who clean and maintain guest rooms and public areas.
- Room availability** Those rooms that are available for letting.
- Room count** The number of occupied rooms.
- Room discrepancy report** A report showing the discrepancy as per housekeeping and front desk in occupancy status.
- Room index** It is a chronological system of date-wise records of the occupancy of each bedroom and suite.
- Rooming** A procedure of directing a guest and installation of his luggage to room at check-in time.
- Rooming list** A list sent by a travel agent to a hotel of the names, nationality and other details of the group members in advance.
- Room inspection report** A report of the inspection of room prepared by the floor supervisor after she inspects a room which has been readied by the chambermaid.
- Room rack** A rack which is a part of Whitney system in which slips are arranged room number-wise. The rack shows the rooms occupancy status.
- Room rack slip** A paper slip used to display room status and guests assignments in the room rack.
- Room rate variance report** A report listing rooms which have not been sold at rack rate.
- Room revenue** The sum total of money generated by the sale of rooms for a given period of time; also called room sales.
- Room service** Service of food and beverage in the room. part of Food and Beverage Department.
- Room type** Various grouping of rooms such as standard and suites.
- Rooming a guest** The procedure of escorting the guest and carrying of his luggage to the assigned room by the bellboy.
- Room key control system** An administrative procedure that authorizes certain personnel and registered guests access to keys.
- Room rack** A large device positioned at the front desk that indicates the reservation and housekeeping status of each guest room in the hotel as well as room contents, room rates, and location.
- Room revenues** The amount of room sales received.
- Room sales figure** The total of posted daily guest room charges.
- Room sales projections** A weekly report prepared and distributed by the front office manager that indicates the number of departures, arrivals, walk-ins, stay-overs, and no-shows.
- Rooms forecast** It involves projecting room sales for a specific period and room status information on availability of entry to a guest room reservation (open, confirmed, guaranteed, or repair) or housekeeping (ready, on change, or out-of-order).
- Rule-of-thumb method for determining room rates** It stipulates that the room rate should be Re 1 for every Rs 1000 of construction costs.
- Safe deposit box** A small secured box
- Safety committee** A group of frontline employees and supervisors who discuss safety issues concerning guests and employees.

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Sales associate A person who books the guest's requirements for banquets and other special events.

Sales indicators Number of guests and revenue generated

Sales journal A permanent summarized record of a day's business

Sample room A room used to merchandize only

Self-check-in process A procedure that requires the guest to insert a credit card having a magnetic stripe containing personal and financial data into a self-check-in terminal and to answer a few simple questions concerning the guest stay.

Self check-out Computerized system to allow a guest to review his/her folio and settle the account to credit card used at check in.

Self-registering kiosk A freestanding machine capable of registering a guest and dispensing a room key.

Self-registration A system that automatically registers a guest and dispenses a key, based on guest's reservation and credit card information.

Self- registration/check out terminal/kiosk A computer terminal located in the lobby of a hotel, like a teller machine.

Sells position Same as rooms availability status

Service charge A certain percentage of bill amounts added to the bill of the guest; this amount is distributed to service staff in place of tips.

Service management programme A management programme that highlights a company's focus upon meeting customers' needs and allows a hotel to achieve its financial goals.

Service strategy statement A formal recognition by the management of hotel that the hotel will strive to deliver the products and services desired by the guest in a professional manner.

Shift leader The person responsible for directing the efforts of a particular work shift.

Single sheet A type of printer that uses single sheet paper.

Shoulder period A mid-price period between full season and off season.

Siberia A term normally used for inferior quality rooms, such as near the staircase. The guests must be informed about its situation and condition before selling it.

Single room It is meant for one person sleeping, bed size is 36" × 75" approximately.

SITS Special interest tours (people who normally visit a place once only).

Six pm release It means that the room for a guest with reservation will be held only up to 6 pm and released after that time. It is usually done in case when there is no guaranteed reservation (credit card guarantee, company or any other guarantee) or deposit reservation; also called time-cancelled reservation.

Skill demonstration Demonstration of specific tasks required to complete a job.

Sleeper A room that is thought to be occupied but in fact is vacant.

Sleep out A sold room where the guest did not stay during the night.

Slide The transcription error caused by a misplaced decimal; for example 30.50 is written as 3.050.

Sold out Rooms not available.

SPATT A special attention guest, for example, a guest needing a wheelchair.

Split folio Folio in which guest's charges are separated into two or more folios.

Star reservation It means that room is reserved for a VIP.

Storage A function in which the data are placed in a select area of the system for future access and retrieval.

Studio bed / sofa cum bed A bed usually without head board and foot board which can also be used as sofa during the day (36" × 75").

Suite A combination of two or more rooms out of which at least one is used as sitting room and other as bedroom.

Supper A term referring to a late night meal.

Surcharge rates Telephone rates for adding additional service charges for out-of-state long-distance telephone service.

Swing A work shift between the day shift and graveyard shift (4 pm–12 night).

Synergy A combined action where the total production of the combined parts exceeds by far from the contribution of individual parts composing the whole.

TAAI Travel Agents Association of India

Tariff The published room rate list

Tax cumulative total feature An electronic feature of a posting machine or PMS that adds all posted room tax amounts previously entered into one grand total.

Telephone initiation and reception agreements Contracts between senders and receivers of Picture Tel concerning specifications of the telephone call and who pays for the call.

Telephone operator The person who handles incoming and outgoing calls, locates registered guests and management staff, deals with emergency communication, and assists the desk clerk and cashier when necessary.

Telex A 24-hour teleprinter service that provides for instantaneous transmission of message in print.

Tickler files A file used to prompt notice that certain events will be occurring.

Time lead A coordinator of a team of maids of a particular floor to introduce team spirit, competitive spirit and sharing of tasks.

Time-share hotel A relatively new concept where an investor buys a unit which is shared by other users to whom it may be rented out when not in use by the investor.

Time stamp A mechanical or electronic device that imprints the date and time on a piece of paper.

Top down A sales method that indicates presenting the most expensive rate first.

Total Quality Management A management technique that encourages managers to look at processes used to produce products and services with a critical eye.

Total restaurant sales figure It comprises all sales incurred at restaurants or food outlets in the hotel.

Traffic managers The person who directs hotel guests to available elevators in the lobby.

Traffic sheet A telephone department control sheet usually used for long-distance calls.

Training tickler file A database that keeps track of training sessions and alerts trainers to important upcoming dates.

Transcript A form that is used by the night auditor whereby he/she separates the day's charges by rooms and departments.

Transfer and transfer folio A procedure of moving one figure from one form to another (carried over from first form and brought forward to another form). It is generally used in case of guest folio amount when at the end of the week the outstanding figure is transferred to a new unnumbered folio; another term used for this is 'a follow'.

Transfer slip According to English terminology, it means a notification slip made when a guest changes the room; also called 'move notification slip' and 'removal notification slip'.

Transformation error Incorrect handling of a data procedure due to misconception or misunderstanding.

Transient hotel A hotel catering to short-stay guest, i.e. a transient guest who stops en route to another destination.

Transposition error A transcription error caused by wrong recording of sequence of digits, for example, 527 written as 572.

Travel directories Organized listings of all the information of a hotel regarding reservation access methods and geographical and specific accommodation.

Travel-and-entertainment cards Credit cards issued by a finance corporation, such as Diners Club.

Traveller's checks Prepaid checks that have been issued by a bank or other financial organization.

Trial balance A first run on a set of debits to determine their accuracy against a corresponding set of credits.

Turn-around time Time from when data was entered into a system until available as output information.

Turn away To refuse accommodation to walk-in guest, because the rooms are not available; also called 'displacement'.

Turn down An evening service provided by a housekeeper where she prepares the bed for night use.

Turn in The cash deposited by departmental cashier with general cashier at the end of the day.

UFTAA - Universal Federation of Travel Agent Association

Under -booking An erroneous belief that all the rooms are sold while in fact they are not..

Under-stays Guests who arrive on time but decide to leave before their predicted date of departure.

Upgrade To move a reservation or staying guest to a better accommodation or class of service.

Up-selling Encouraging a customer to consider buying a higher priced product or service than originally anticipated.

Vacant and ready Room status term indicating that the room has been cleaned and inspected and is ready for new arrival.

Variable cost Costs that vary in direct proportion to sales (for example, housekeeping costs with room sales and food and beverage costs with restaurant sales).

Visual alarm systems Flashing lights that indicate a fire or other emergency in a hotel room.

Vouchers Standardized pre-numbered forms used to transfer guest financial data.

VPO Visitors Paid Out; if petty payments such as taxi fare, cinema tickets and postage are made by front desk on behalf of the guest, then a VPO voucher is prepared, which is signed by the guest and debited to his account where the amount is entered into guest folio.

VTL Also called the 'tab', is ledger in tabular form used for recording all transactions with guests staying in the hotel..

Wake-up device An alarm clock used by the desk clerk or night auditor to remember to awaken guests at requested times.

Wake-up sheet A form on which guest requests for wake-up calls are recorded, which are organized by time, room, and last name.

Walk-in guests Guests who request a room rental without having made a reservation.

Walking a guest Offering accommodations at another hotel to a guest who has a reservation when the hotel is overbooked.

Walk-out A guest who leaves the hotels without warning, i.e. without settling his/her bill.; also called skipper.

Walk through A thorough examination/inspection by a hotel executive of the whole property.

Wash factor Deletions of unnecessary group rooms from a group block.

Watch Another term for work shift.

Watch down Blocking fewer rooms than the number requested by a group, based on previous group history.

Watch list A list prepared by the night manager of people showing unusual behaviour such as suddenly placing large orders.

Whitney system A proprietary system, designed by Whitney duplicating and check company of New York for front office operations and records keeping.

Who An unidentified guest in a room that is vacant as per front desk record.

Working supervisor A person who participates in the actual work performed while supervising.

Yield The percentage of income that could be secured if 100 percentage of available rooms are sold at their full rack rate.

Yield management A process of planning to achieve maximum room rates and most profitable guests (guests who will spend money at the hotel's food and beverage outlets, gift shops, etc.); encourages front office managers, general managers, and marketing and sales directors to target sales periods and develop sales programs, which will maximize profit for the hotel.

Yield percentage The effectiveness of a hotel at selling its rooms at the highest rate available to the most profitable guest.

Youth hostel A budget accommodation with limited services, generally catering to shoestring budget traveller (like students travelling on bicycle or hitch hiking).

Z-bed A folding and portable bed..

Zeroing out To bring the account balance to zero debits and credits at the time of departure, thus offsetting one another.

Zip or postal code An individual local postal designation assigned by a country.

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