

KHHM 2104 – Front Office Management

Tutorial 2 – Effective Interdepartmental Communications

1. How do the communications efforts of front office employees help set the tone for a guest's visit?

Positive first impressions of hospitality by helping guests will set the tone for a good visit. It tells the guest we care about their stay.

2. Give examples of how the sales and marketing department and front office communicate.

- **Providing data on guest histories to sales and marketing.**
- **Processing requests for reservations for sleeping rooms from sales and marketing.**
- **Making a good first impression to the public.**
- **Relaying messages to sales and marketing**
- **Meeting information requests of guests for meetings, seminars and banquets.**

3. Communications between front office and housekeeping department revolve around room status. How can each department director ensure that these communications are effective?

Communication occurs through frequent reporting of guest departure and room releases. They can ensure they are effective by developing systems that feature frequent reporting of rooms vacated and rooms released.

4. How does the banquet department interact with the front office?

- **Relaying information to guests about scheduled events and bill payment for the banquet department.**
- **Processing payment of guest charges for scheduled events for the banquet department.**
- **Preparing the daily announcement board and marquee for the banquet department.**

5. What does the controller expect of the front office on a daily basis?

The controller expects:

- **a daily summary of financial transactions through a well-prepared night audit.**
- **information for billing and maintenance of credit card ledgers.**

It is important for the financial management of the hotel (cash flow and account maintenance).

6. What role does the front office play in communications between the guest and the maintenance department?

The front office relays information concerning requests for guest room maintenance to the maintenance department.

7. How can human resources department include front office in the operations and communication process?

- **Initial screening of candidates.**
- **Training.**
- **Promotions.**
- **Hotel policies.**
- **Distribute application forms.**
- **Recruitment.**
- **Disciplinary case.**

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Tutorial 3 – Property Management System (PMS)

1. Explain in your own words what a property management system is.

Property management system is a generic term used to describe the applications of computer hardware and software in managing the interface of the departments of a hotel.

2. Why should a needs analysis be performed before computers and software are purchased?

The needs analysis indicates the flow of information and services of a specific property to determine if the new equipment can improve the flow. It also makes the purchaser aware of initial and long term costs vs. service expected.

3. What are the components of a needs analysis?

- **Selecting a team to determine the reports and information being generated.**
- **Analyzing the flow of the guest through the visit to the property.**
- **Reviewing the information coming from other departments to the front office.**
- **Reviewing the administrative paperwork produced in the hotel that is necessary to assist management.**
- **Review all information compiled to determine if needs are not being met.**
- **Evaluate needs that have been identified.**
- **Combining various operational and administrative needs to determine which computer applications are appropriate for the property.**

4. Why are computer software considerations more important than computer hardware considerations?

Software is the part of the PMS that allows operator to input and retrieve data that is useful to the operation.

5. Why is interfacing important in a property management system? Give an example of interfacing.

Interfacing of computer hardware and software allows the operators to share information. An example of interfacing would be the information entered into the point of sale register in the dining room would automatically be posted to the guest folio.

6. What is ergonomics?

Ergonomics is a study of how people relate psychologically and physiologically to machines.

7. How does the ergonomics of computer terminals affect the Front Office staff?

Considerations for:

- **glare and flicker from cursor movement on screens can cause eyestrain.**
- **improper positioning of the monitor can cause neck pain.**
- **improper positioning of the keyboard can cause wrist pain.**

8. Why should management be sure employees are properly trained to use a PMS?

The staff who uses the computers must be thoroughly trained, so the equipment is put to its best use. Documentation of procedures will also assist the staff in developing an awareness of the system's capabilities.

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Tutorial 4 – Systemwide Reservations

1. How does a well-organized reservation system meet the needs of the traveller?

Travellers depend upon a well-organized reservation system that is easily accessible to insure a well-planned trip.

2. How does the lodging industry meet the need of the traveller for assured reservations?

The lodging industry provides toll-free phone numbers, computerized reservations system, a network of travel agents who have access to computerized systems, hotel representatives, hotel brokers, and the Internet to offer assured reservations for travellers.

3. What advantages does a hotel belonging to a reservation/referral systems enjoy?

- Access to a national reservation system.
- Management expertise
- Financial backing
- National advertising
- Group purchasing
- Inter-hotel property referrals.

4. What are the major sources of guest reservations? What information does this analysis reveal?

- Corporate clients
- Social/Military/Educational/Religious/Fraternal (SMERF)
- Meeting/Incentive/Conference/Event (MICE)
- Group travellers
- Leisure travellers

This information reveals the potential financial results a hotel may gain by advertising to these markets.

5. Discuss the nature of a typical corporate client's travel plans and explain how does plans are supported to a well-organized reservation system.

The corporate client's travel plans are based upon a system that relies upon other people to plan the transportation and room accommodations. Therefore, the hotel must reach these people (administrative assistants, secretaries, etc.) to encourage reservations for room accommodations.

6. What reservation access methods are available to the corporate client?

Easy access (toll-free numbers, reservation/referral systems, travel agencies), familiarity with the property (Secretary's Club), and the Internet are some of the ways to obtain a corporate client's room reservation.

7. Why are tour or meeting planners important to the hotel with regard to group reservation?

Tour and meeting planners seek group reservations which will provide the hotel with a large number of guests at one time and income for a long period of time.

8. What reservation access methods are available to the planner of group tours?

- **Group planner**
- **Bus association network**
- **Travel directories**
- **Hotel representatives**
- **Hotel brokers**
- **Internet**

9. How does the leisure traveller differ from the corporate client and the group traveller?

They are often unrestricted by deadlines or schedules, and are more flexible in their travel plans. They are more willing to stay along the way.

10. What reservation access methods are available to the traveller?

- **Travel agencies**
- **Toll-free numbers,**
- **Reservation/referral systems**
- **Internet**

11. Why is it necessary to prepare a rooms forecast? In addition to the Front Office Manager, who else use the room forecast?

The room forecast allow management to see the effects of reservations on the profit and loss statement, labour scheduling, and use of facilities. Other department managers, such as food and beverage, housekeeping, and maintenance, etc. need this information for scheduling employees and use of facilities.

12. What does overbooking mean?

Overbooking means accepting reservations for more rooms than are available on any given night.

13. What are the major steps involved in a processing a guest reservation?

- **Securing guest data**
- **Checking room request against existing data base**
- **Determining room rate**
- **Determining type of reservation (confirmed or guaranteed)**
- **Establishing method of payment**
- **Blocking**
- **Configuring confirmation**
- **Cancellation code**

14. Discuss the differences between a confirmed reservation and a guaranteed reservation.

A confirmed reservation requires hotel to hold the reservation until 4.00pm or 6.00pm whereas a guaranteed reservation is held until the guest arrives.

15. What does block of rooms involve? Name two types of blocking.

Blocking of rooms involves the room removal from the available room data bank for the dates involved. The two types of block is blocking on the horizon and daily blocking of rooms.

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Tutorial 5 – Revenue Management

1. Explain in your own words the concept of revenue management.

The concept of revenue management is to maximize room rates and most profitable guests.

2. What does occupancy percentage tell the owner of the hotel?

Occupancy percentage tells that the percentage of rooms was sold on a particular night.

3. Determine the yield for a hotel that has 200 rooms available for sale with a rack rate of \$80, all of which are sold at \$75.

$$Yield = \frac{\text{Rooms sold} \times \text{Rates charged}}{\text{Rooms available} \times \text{Rack rates}} \times 100 = \frac{200 \times \$75}{200 \times \$80} \times 100 = 93.75 \text{ Yield}$$

4. Determine the yield for a hotel that has 275 rooms available for sale with a rack rate of \$60, and sells 150 rooms of them at \$75.

$$Yield = \frac{150 \times \$75}{275 \times \$60} \times 100 = 68.18 \text{ Yield}$$

5. Determine the yield for a hotel that has 1000 rooms available for sale with a rack rate of \$135, and sells 850 rooms of them at \$100.

$$Yield = \frac{850 \times \$100}{1000 \times \$135} \times 100 = 63 \text{ Yield}$$

6. Discuss the concepts of yield and occupancy percentage as revealed in question 3, 4 and 5.

Yield tells the owner what could have been achieved while occupancy reports only historical concept.

7. Discuss strategies to use when demand is high.

- **Maximize room rates.**
- **Block out period.**
- **Restrict low rates categories.**
- **Commit to high pay groups.**

8. Discuss strategies to use when demand is low.

- **Maximize sales.**
- **Promotional rates.**
- **Groups.**
- **Local business.**

9. Why should turn away business be reviewed daily?

- **This helps to assess the viability of revenue management and to update the revenue management and marketing strategies for the future.**

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Tutorial 6 – Guest Registration

1. Why is obtaining accurate guest data during the registration process so important?

This guest data is needed to locate a guest and to properly bill a guest after the check out.

2. Who uses the guest data besides the Front Office?

It is also used for the guest history by the Sales and Marketing Department.

3. Give examples of how incorrect data can affect the guest and the hotel.

Incorrect data may hinder the switchboard operator from locating a person or communicating a message. The hotel may also experience an unpaid outstanding balance if guest credit is not established.

4. What are the major parts of the guest registration process?

- i. **Guest requests to check into the hotel**
- ii. **Front desk clerk projects hospitality toward the guest**
- iii. **Front desk clerk inquires about guest reservation**
- iv. **Guest complete registration card**
- v. **Front desk clerk review completeness of registration card**
- vi. **Front desk clerk verifies credit**
- vii. **Front desk clerk makes room selection and room assignment**
- viii. **Front desk clerk assigns room rate**
- ix. **Front desk clerk discuss sales opportunities for hotel products and services with guest**
- x. **Front desk clerk provides room key**

5. What hidden costs are involved in using a bill-to-account system?

The hidden costs in using a bill-to-account system include processing costs (forms, computer hardware and software, labour, postage, etc.), credit research, and collection of non-payment of accounts.

6. Provide advantages and disadvantages of bill-to-account to the guest and the hotel.

- **Guest perceives bill-to-account as prestigious.**
- **Hotel saves discounting of guest bill.**
- **Hotel must act as billing and collection agency.**

7. Identify some of the requests guests may make with regard to room selection.

- **Bed requirements**
- **Room location**
- **Floor plan arrangement**
- **Ancillary equipment**
- **Rooms designed**
- **Equipped for special needs**

- **Immediate availability**
- **Price**

8. How can a Front Office Assistant be attuned to the needs of guests?

The front desk clerk can be aware of the guest's nuances of business appearance, family ties, and pleasure traveller, etc., and listen to guest's and then match room needs.

9. Why are establishing and monitoring room rates so essential to the hotel's profit and loss statement?

Room rates set the tone for a hotel to produce income; it becomes an integral part of the Sales and Marketing Department and the profit and loss statement. Monitoring room rates is part of the Front Office Manager's job in keeping current with the room rates of the competition.

10. What are the rule-of-thumb method and the Hubbart formula for establishing room rates?

The rule-of-thumb method for setting room rates that for every \$1000 in room construction costs, \$2 in room rate can be set. The Hubbart formula takes into consideration such factors as operating expenses, desired return on investment, income from various departments in the hotel, and room income.

11. Describe various types of room rates.

The various types of room rates include rack rate, corporate rates, commercial rates, government and educational rates, group rates, family rates, package rates, American plan, modified American Plan, European Plan, half-day rate and complimentary.

12. What are some opportunities for the Front Office Assistant to sell hotel services, as discussed in this chapter?

Front Office Assistant is able to sell hotel services at registration (future reservations, food service, entertainment, lounge and health facilities) and at check out (additional reservations).

13. What pointers would you give a new Front Office Assistant on room key assignment?

The key to be issued must be checked against the room number assigned on the registration card before it is handled to the guest. Use utmost discretion in communicating the room number to the guest (guest safety). Replace keys as they are returned. Do not issue a second key to a guest without identification.

14. Explain how to use the PMS to register a guest with a reservation.

- Retrieval of advance registration**
- Guest complete registration card**
- Front desk clerk review completeness of registration card**
- Front desk clerk verifies credit**
- Front desk clerk makes room selection and room assignment**
- Front desk clerk discuss sales opportunities for hotel products and services with guest**
- Front desk clerk provides room key**

15. Discuss the advantages of registering guests with a PMS.

The advantages of registering guests with a PMS are speed and accuracy. The reports produced with a PMS registration module are clearly a great advantage for the Front Office Manager.

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Tutorial 7 – Managing the Financial

1. What are 4 types of folios?

- **Guest folios**
- **Master folios**
- **Non-guest folios**
- **Employee folios**

2. How does accounting for a cash payment differ from accounting for a cash advance at the front desk?

Cash payment is made at the front desk are posted as credits to a guest account, whereas Cash advance is cash disbursed by the hotel on behalf of the guest and charged to guest's account.

3. What is cash bank? What are good cash bank control procedures?

Cash bank is amount of cash assigned to a cashier so that he can handle various transactions that occur during a particular work shift.

Good cash bank control procedures are:

- **Cashier signs for their bank at the beginning of their work shift and the person who signed for the bank has access to it during shift.**
- **At the end of the shift, the cashier separates the amount of the initial bank and places the remaining cash in a special design envelope.**
- **The chaser normally itemizes the controls of the deposits envelope on the outside before submitting.**

4. What are overages, shortages and due backs? How might these conditions reflect on a front office cashier's job performance?

Overages occur when the total of cash in a drawer is greater than the net cash receipts.

Shortages occur when the total of cash in a drawer is less that the net cash receipts.

Due backs occur when cashier pay out more than he receives. In other words, there is not enough cash in the drawer. It reflects how well the cashier handles his cash flow.

5. What is the difference between an account correction and an account allowance? Why is it important to differentiate the two?

Account corrections are:

- **Transaction resolves a posting error on folio.**
- **Made on the same day. The error is made, before the close of business.**
- **A correction voucher is used to document this type of transaction.**

Account allowances are:

- **It involves 2 types of transactions.**

- First type is as compensation for poor service and rebates for coupon discounts.
- Second type is corrects a posting error detected after close of business.

It is important to differentiate in order not to misuse the vouchers.

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Tutorial 8 – Guest Check-out

1. Give an example of losses that can result if late charges go unpaid.

The guest may try to charge a late breakfast or phone call before this information is posted to the guest folio.

2. Why should a Front Desk clerk ask a guest who is checking out about the quality of products and services? Who needs this information?

This is a quality control procedure on products and services that the guest has tried. Managers of various departments will want to use this information to improve operations or reward employees for a job well done.

3. Why is retrieval of a room key so important to the guests and to the hotel?

The retrieval of a hard room key provides security for the next guest to enter the room. Keys (hard and plastic) that are not returned will have to be replaced at an expense to the hotel.

4. Do you feel a guest should review the guest folio during checkout?

Yes. The guest who reviews the folio may see incidental charges that can be debated at the time of checkout.

5. List the methods of payment available to the guest. Why does the hotel not consider these payment options financially equal?

Guest may pay by credit card, debit card, cash, bill-to-account or traveller's check. The discount rate offered by the various credit card issuing agencies to the hotel are not the same.

6. Discuss the types of credit cards. Explain their advantages to the guest and not to hotel.

Bank cards and commercial cards are typical types of credit cards. The advantage to the guest is that it gives them the luxury of float and not having to carry cash. The hotel likes a guest to pay by credit card because it assures the hotel the bill will be paid, establishes credit worthiness, and may induce impulse buying.

7. What does bill-to-account mean?

The bill-to-account means the guest has established a line of credit with the hotel.

8. What are the hidden costs involved with this method of payment?

The hidden costs involved are the processing fees, credit research and collection for non-payment of accounts.

9. Why is cash not an eagerly sought method of payment?

Cash does not insure that the guest will be able to pay beyond the credit limit set at registration.

10. What is debit card? How does it differ from a credit card?

A debit card looks like a credit card but when it is used, it automatically deducts payment for the bill from the holders' savings account. With a credit card, the holder can use float where payment is not required for several days until the next billing period.

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Tutorial 9 – Night Auditor & Managing Hospitality

1. Why does a hotel need to balance its financial transactions each day?

2. How would you develop a service strategy statement?

3. Why should frontline employees be involved in the development of a service management program?

4. What are “moments of truth” in a service delivery occasion?

5. Why must an employee buy in to a service management program?

6. What would you do to ensure employees commitment in the service management program?

7. Why is training an important component of the service management program?

8. How can Front Office Manager measure the effectiveness of a service management program?

9. Why is follow-through so necessary in the continued delivery of hospitality?

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Tutorial 10 – Training for Hospitality

1. Why should orientation programs be conducted?

2. How does assessing personnel needs lead to a more efficiently managed front office?

3. How would you prepare to interview a front office job candidate?

4. How do you feel about the concept of using the Internet as a 24/7 resource for training?

5. How important is cross training to operate a front desk?

