

MANAGING FRONT OFFICE OPERATIONS

Tenth Edition

Michael L. Kasavana, Ph.D.



Contents

Preface	xiii
About the Author	xv
1 The Lodging Industry	3
The Hospitality Industry	3
Classifying Hotels.....	5
<i>Size • Target Markets • Levels of Service • Ownership and Affiliation</i>	
Classifying Guests	20
<i>Business Travelers • Pleasure/Leisure Travelers • Group Travelers • International Travelers</i>	
Buying Influences on Travelers.....	22
<i>Blogging and Social Networking • Social Media Platforms</i>	
The Green Hotel.....	27
<i>LEED Certification and the Energy Star Program • Green Meetings</i>	
Summary.....	31
Endnote, Key Terms, Review Questions, Internet Sites, Case Studies.....	32
Chapter Appendix: Case Study for Green Hotel Practices.....	43
2 Hotel Organization	59
Organizational Missions	59
<i>Goals • Strategies and Tactics</i>	
Hotel Organization.....	62
<i>Organization Charts • Classifying Functional Areas • Rooms Division • Food and Beverage Division • Sales and Marketing Division • Accounting Division • Engineering and Maintenance Division • Security Division • Human Resources Division • Other Divisions</i>	
Front Office Operations	79
<i>Organization of the Front Office • Work Shifts • Job Descriptions • Job Specifications</i>	

vi Contents

Summary	83
Key Terms, Review Questions, Internet Sites, Case Study	84
Chapter Appendix: Selected Front Office Model Job Descriptions .	93
3 Front Office Operations.....	105
The Guest Cycle	105
<i>Pre-Arrival • Arrival • Occupancy • Departure</i>	
Front Office Systems.....	113
<i>Front Office Activities</i>	
Front Office Documents.....	116
<i>Pre-Arrival Documents • Arrival Documents • Occupancy Documents • Departure Documents</i>	
The Front Desk	118
<i>Functional Organization • Design Alternatives</i>	
Telecommunications.....	121
<i>Telecommunications Equipment</i>	
Property Management Systems.....	124
<i>Reservation Management Software • Rooms Management Software • Guest Accounting Management Software • General Management Software • Back Office Interfaces • System Interfaces • Sales Automation Systems</i>	
Mobile Services	131
<i>Mobile Technologies/Applications • Best Practices</i>	
Summary	134
Key Terms, Review Questions, Internet Sites, Case Studies.....	135
4 Reservations.....	145
Reservations and Sales	146
<i>The Role of the Sales Department in Reservations • The Reservation Sales Planning Process</i>	
Types of Reservations.....	148
<i>Guaranteed Reservations • Non-Guaranteed Reservations</i>	
Reservation Inquiries.....	150
<i>Distribution Channels • Distribution Channel Revenues</i>	
Group Reservations	157
<i>Group Reservation Issues</i>	

Reservations Availability	162
<i>Reservations Systems</i>	
Reservation Records	164
Reservation Confirmation/Cancellation	166
<i>Confirmation/Cancellation Numbers • Modifying Non-Guaranteed Reservations • Canceling a Reservation</i>	
Reservation Reports.....	169
<i>Expected Arrival and Departure Lists • Processing Deposits • Reservations Histories</i>	
Other Reservation Considerations	171
<i>Legal Implications • Waiting Lists • Promotional Packages • Potential Reservation Problems • Mobile Bookings • E-Commerce</i>	
Summary	180
Key Terms, Review Questions, Internet Sites, Case Studies.....	182
5 Registration.....	193
The Registration Process.....	193
<i>Preregistration Activities • Creating the Registration Record • Assigning the Guestroom and Room Rate • Establishing the Guest's Method of Payment • Verifying the Guest's Identity • Issuing the Room Key or Access Code • Responding to Special Requests</i>	
Creative Registration Options.....	214
<i>Self-Registration</i>	
Selling the Guestroom.....	216
Denying Accommodations.....	217
<i>Walk-In Guests • Guests with Non-Guaranteed Reservations • Guests with Guaranteed Reservations</i>	
Summary	220
Key Terms, Review Questions, Internet Sites, Case Studies.....	222
6 Communications and Guest Services	235
Front Office Communications.....	235
<i>Guest Communications • Transaction File • Information Directory • Reader Board • Group Résumé Book/File • Mail and Package Handling • Telecommunications Services</i>	
Interdepartmental Communications	244
<i>Housekeeping • Engineering and Maintenance • Revenue Centers • Marketing and Public Relations</i>	

viii Contents

Guest Services	246
<i>Equipment and Supplies • Special Procedures • Guest Services and the Internet of Things</i>	
Guest Relations	251
<i>Complaints</i>	
Summary	258
Key Terms, Review Questions, Internet Sites, Case Studies.....	259
7 Security and the Lodging Industry.....	271
Developing the Security Program	272
<i>Doors, Locks, Key Control, and Access Control • Guestroom Security • Control of Persons on Premises • Perimeter and Grounds Control • Protection of Assets • Emergency Procedures • Communications • Security Records • Staff Security Procedures</i>	
Management's Role in Security.....	283
<i>Areas of Vulnerability • Security Requirements</i>	
Setting Up the Security Program	285
<i>Relations with Local Government Agencies • Security Staffing • Security Training</i>	
Security and the Law.....	296
<i>Legal Definitions</i>	
Summary	300
Endnotes, Key Terms, Review Questions, Internet Sites, Case Studies	302
8 Front Office Accounting	315
Accounting Fundamentals	315
<i>Accounts • Folios • Vouchers • Points of Sale • Ledgers</i>	
Creation and Maintenance of Accounts	321
<i>Automated Recordkeeping Systems • Charge Privileges • Credit Monitoring • Account Maintenance</i>	
Tracking Transactions.....	325
<i>Cash Payment • Charge Purchase • Account Correction • Account Allowance • Account Transfer • Cash Advance</i>	
Internal Control.....	329
<i>Cash Banks • Audit Controls</i>	
Settlement of Accounts.....	332

Summary.....	332
Key Terms, Review Questions, Internet Sites, Case Study.....	337
9 Check-Out and Account Settlement.....	343
The Check-Out and Settlement Process.....	343
Departure Procedures.....	344
<i>Methods of Settlement • Late Check-Out</i>	
Check-Out Options.....	350
<i>Express Check-Out • Self Check-Out</i>	
Unpaid Account Balances.....	352
Account Collection.....	353
<i>Account Aging</i>	
Front Office Records.....	357
<i>Guest History File • Marketing Follow-Through • Data Privacy</i>	
Summary.....	362
Key Terms, Review Questions, Internet Sites, Case Study.....	364
10 The Role of Housekeeping in Hospitality Operations.....	369
Communicating Room Status.....	369
Housekeeping and Maintenance.....	372
<i>Communicating Maintenance Work • Types of Maintenance</i>	
Identifying Housekeeping's Responsibilities.....	376
Planning the Work of the Housekeeping Department.....	378
<i>Area Inventory Lists • Frequency Schedules • Performance Standards • Productivity Standards • Equipment and Supply Inventory Levels</i>	
Supervisor Dilemma.....	383
Summary.....	386
Key Terms, Review Questions, Internet Sites, Case Studies.....	388
11 The Front Office Audit.....	399
Functions of the Front Office Audit.....	399
<i>The Front Office Auditor • Establishing an End of Day • Cross-Referencing • Account Integrity • Guest Credit Monitoring • Audit Posting Formula • Daily and Supplemental Transcripts • Front Office Automation</i>	
The Front Office Audit Process.....	404
<i>Complete Outstanding Postings • Reconcile Room Status Discrepancies • Verify Room Rates • Balance All Departmental</i>	

	<i>Accounts • Verify No-Show Reservations • Post Room Rates and Taxes • Prepare Reports • Prepare Cash Receipts for Deposit • Perform System Back-Up Routine • Distribute Reports</i>	
	System Update	413
	Centralized Front Office Audits	414
	Summary	415
	Key Terms, Review Questions, Internet Sites	416
12	Planning and Evaluating Operations	419
	Management Functions.....	419
	<i>Planning • Organizing • Coordinating • Staffing • Leading • Controlling • Evaluating</i>	
	Establishing Room Rates	422
	<i>Market Condition Approach • Rule-of-Thumb Approach • Hubbart Formula Approach • Planned Rate Changes</i>	
	Forecasting Room Availability	433
	<i>Forecasting Data • Forecast Formula • Sample Forecast Forms</i>	
	Budgeting for Operations	443
	<i>Forecasting Rooms Revenue • Estimating Expenses • Refining Budget Plans</i>	
	Evaluating Front Office Operations	448
	<i>Daily Report of Operations • Occupancy Ratios • Rooms Revenue Analysis • Income Statement and Summary Operating Statements • Rooms Schedule • Rooms Division Budget Reports • Operating Ratios • Ratio Standards</i>	
	Planning for Disasters	462
	Summary	463
	Key Terms, Review Questions, Internet Sites	465
	Chapter Appendix: Manual Operations Plans	468
13	Revenue Management.....	477
	The Concept of Revenue Management.....	477
	<i>Hotel Industry Applications</i>	
	Measuring Revenue.....	483
	<i>Formula 1: Potential Average Single Rate • Formula 2: Potential Average Double Rate • Formula 3: Multiple Occupancy Percentage • Formula 4: Rate Spread • Formula 5: Potential Average Rate • Formula 6: Room Rate Achievement Factor • Formula 7: Yield Statistic • Formula 8: RevPAR • Formula 9: Identical Yields</i>	

	• <i>Formula 10: Equivalent Occupancy</i> • <i>Formula 11: Required Non-Room Revenue per Guest</i> • <i>RevPAC and GOPPAR</i>	
Elements of Revenue Management.....		496
	<i>Group Room Sales</i> • <i>Transient Room Sales</i> • <i>Other Revenue Opportunities</i> • <i>Local and Area-Wide Activities</i> • <i>Special Events</i> • <i>Fair Market Share Forecasting</i>	
The Revenue Manager.....		506
Using Revenue Management.....		508
	<i>The Revenue Meeting</i> • <i>Potential High- and Low-Demand Tactics</i> • <i>Implementing Revenue Strategies</i>	
Revenue Management Software.....		518
Summary.....		519
Endnotes, Key Terms, Review Questions, Internet Sites, Case Study.....		521
14 Managing Human Resources.....		529
Recruiting.....		529
	<i>Internal Recruiting</i> • <i>External Recruiting</i>	
Selecting.....		535
	<i>Selection Tools</i> • <i>Evaluating Applicants</i> • <i>Interviewing</i>	
Hiring.....		548
	<i>Job Offers</i> • <i>Processing Personnel Records</i>	
Orienting.....		549
Skills Training.....		550
	<i>Prepare to Train</i> • <i>Present the Training</i> • <i>Practice Skills</i> • <i>Follow Up</i>	
Staff Scheduling.....		563
	<i>Alternative Scheduling Techniques</i>	
Staff Motivation.....		566
	<i>Training</i> • <i>Recognition</i> • <i>Communication</i> • <i>Incentive Programs</i> • <i>Performance Appraisals</i>	
Summary.....		570
Key Terms, Review Questions, Internet Sites, Case Studies.....		571
Index.....		581