



# UNIT-2

## Managing Front Office Operations

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Describe the Front Office operations and its Organizational Structure
- ✓ Recognize the Profitable Aspects of Yield Management

## Unit 2

### Managing Front Office Operations

Regardless of the class or type of the hospitality business, the front office is its most central and vital focal point. The core of the front office and the most active part is the reception desk, which is ideally located in the front lobby of the hospitality establishment. It is the nerve centre for all the communication, which is where the most contact with guests occurs. Guests interact with the hotel or hospitality establishment for the first time, when they interact with the staff of the front office and they get a first impression regarding the establishment, depending upon the efficiency, behaviour, and competency of the front office staff.

The reception carries out tasks, such as, the sale of rooms, registration of guests, room allocation, handling guest requests, maintaining guest accounts, cashiering, mail handling, and providing information. The financial tasks handled at the front desk include accepting cash payments, taking of guest folios, check verification, foreign currency handling, and credit cards. This Unit will acquaint you with all of the facets of front office management.

The **front office** is the focal point of the hospitality establishment. Its two most important functions include accounting and communication. Efficient communications – with employees, guests, and other hotel departments – are supreme in creating a hospitable image. Answering inquiries regarding hotel services, providing information on room availability to the sales, and marketing departments, replying to housekeeping department inquiries concerning guest reservations are but a few of the routine tasks performed continuously by the front desk in its function as the communications centre. Additionally, guests might want to settle their accounts at any time throughout the day or night, so accounts must be up – to - date at all times. Keeping the data organised is the top priority for hotels, in order to have an efficient front office management.

#### Front Office Functions

The main job of the front office is that of a facilitator between the guest and various departments of the establishment. A second job is to provide support and aid in making services available to the guests. The number of interactions and transactions between the hospitality establishment and guest during the stay establishes the kind and nature of the front office operation.

The stages during a stay of the guest are:

- ✓ The pre-arrival
- ✓ The arrival
- ✓ The occupancy
- ✓ The departure



Fig: 2.1

The type of interaction, between the hotel and guest, is determined in this stage of the guest's stay.

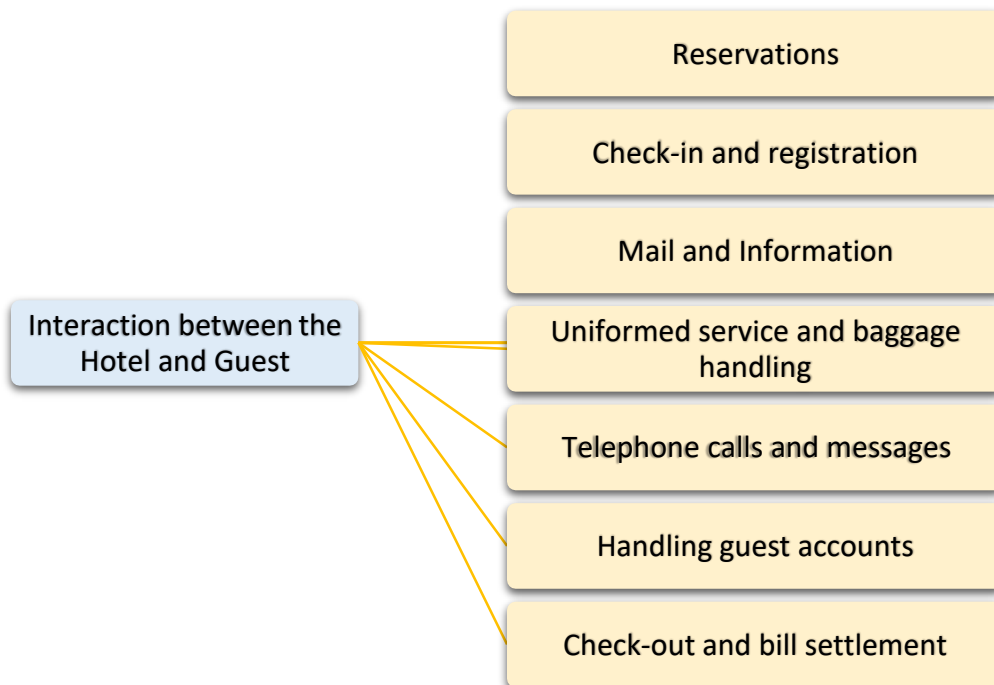


Fig: 2.2

All of these detailed transactions and services are taken care of by the front office department. The duties and services of the front office department can be distinguished by the area in which they are

being carried out. Some of the duties are carried out at the reception desk as front-of-the-house operations and the remaining duties are conducted as back-of-the-house operations.

## Front-of-the-House Operations

Front-of-the-House Operations are called this because these activities are carried out in front of the guests. Hence, these activities are linked either to direct interaction with the guest or they are being conducted in front of the guest. The front office duties begin as soon as the guest calls or sends a request for reservation/accommodation. The front office staff start their interaction with the potential guest by taking in information and reservation of the guest, which leads to confirmation of reservation and lastly, to the handling of guest upon arrival and check-in.

So, decisions pertaining to the room sale to a specific guest, availability and allocation of a room, up-keep of account of the guest by coordinating with housekeeping, and room service are the chief Front-of-the-House duties. Finally, the account clearance or deciding on the time of the account's clearance is typically a part of the check-out process, carried out by the front office. To put it simply, we can say that front office is the first and the last place (during check-in and check-out) when a guest interacts with the hotel.

## Back-of-the - House Operations

As the name implies, these are the activities that do not take place in front of the guests. Upon a guest's check-in time, his or her account is activated. This account maintains a track of the guest's financial interaction with the hotel. Such financial interactions include reserving a room, room services, laundry, food and beverage from the hotel, and any other facilities that the guest uses during his or her stay. For example, these monetary transactions might begin while the guest is still waiting for assigning of a room. The night auditors help back of the office department in the hotel every night in maintaining guest accounts. A lot of the hotels extend credit lines to their guests or the companies by which they are employed. A predetermined credit limit exists and the hotel allows the guest to build up the amount before requesting full or partial payment.

This type of an agreement saves the guest a lot of checkout time. It additionally coordinates with housekeeping and room sales to preserve the status of occupied and vacant rooms. Lastly, the guest record or personal data is preserved by the front office, which is primarily a back-of-the-house activity. So, the guest cycle which started with the guest booking, arrival of guests, providing for their stay, and charging them upon departure is completed.

## Front Office: Organisational Structure

The Figure 2.2 organisational chart shows a standard front office organisational staff for the manager. It includes - the desk clerk, reservations manager, cashier, night auditor, concierge, telephone operator, room key clerk, bell staff, and elevator operator. It is not necessary to find all these positions in every

single lodging business. In some operations, the front desk clerk acts as a cashier, desk clerk, telephone operator, and reservations clerk, depending on the volume of business. A lot of larger hotels employ a complete staff, as shown on the chart. Staffing the front desk positions incurs a cost to the lodging establishment. The front office manager, with agreement of general manager, normally prepares the personnel budget that is in accordance with salary levels throughout the lodging business.

The duties of the front office staff are very different. The **desk clerk** can consist of a number of jobs, which usually includes confirming guest reservations, registering guests, allocating rooms, passing out keys, communicating with housekeeping staff, attending telephones, giving information about directions to local attractions, taking cash and returning change, and acting as a liaison between the lodging business and the guest along with the community.

The **cashier's** position involves processing guest checkouts. This post is found in many lodging establishments, and it aids in making the work load of the front desk manageable when the hotel is totally booked or busy. There are times when several guests need to check out at the same time. At times the best planned systems – such as, an **express checkout**, where the guest makes use of computer technology in a guest's room or a computer in the lobby of the hotel to check out; **prior, approved credit**, the use of credit card to confirm credit worthiness; or **bill-to-account**, an internal billing process – the lines at the cashier station can be long and the guest may be in a rush.

The **reservations manager** is a position that many lodging businesses have. This individual takes the incoming requests for rooms and jots down any special requests for service. The specifics of this position are endless, it is geared towards giving the guest the requested information and services along with accurate confirmation of these items. It is the reservation manager job to keep a correct account of room inventory by employing the reservation module of a property management system. This individual has to communicate very efficiently with the sales and marketing department. Slow and peak sales periods have to be dealt with through good planning.

The night auditor balances the financial transactions daily. He or she might also serve as desk clerk for the night shift (11:00 p.m. to 7:00 a.m.). He or she must also have a good understanding of the accounting principles and the skills to figure out financial inconsistencies. The post requires experience of a desk clerk and good communications with the controller.

The job of a **telephone operator** is rather important in the hotel and lodging business. This individual has to be able to locate a registered guest or management staff at a moment's notice. He or she must be prepared to deal with life-threatening crises or other emergencies. With **Call accounting**, which is a computer technology application that tracks guest phone calls and posts billing charges to lodging establishments, has made the job of telephone operators much simpler, since tracking telephone charges to registered guests can be accomplished with ease. This individual can also help the desk clerk and cashier when needed.



**Fig: 2.3** This organisation chart lists positions found in a front office.

The **bell captain**, with the help of door attendants and bellhops, is the stronghold of the lodging establishment. The job of **bell staff** begins where the computerised property management system stops. They are the individuals who carry the baggage, acquaint the guests with the new environment, do minor jobs, deliver supplies, and pass out information to guests about local attractions. They additionally act as the hospitality link between the lodging business and the guest. They are a huge advantage to a well-run hotel business.

The **key clerk** is usually found in very large, full-service hotels that, as of yet, don't have electronic key systems. His job is to issue keys to registered guests and for linked security measures. Frequently, he or she will sort out incoming mail for registered guests or managerial staff. In most hotels, this position has become obsolete.

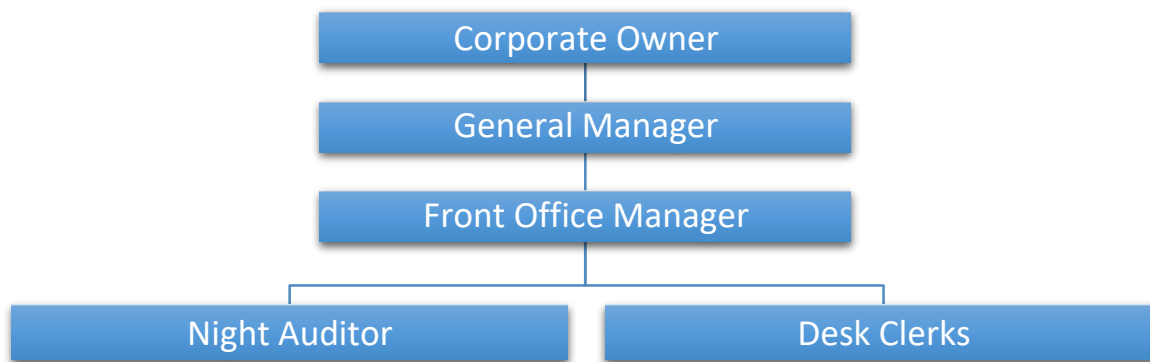
The elevator operator is the individual who operates the mechanical controls of an elevator, but this is almost extinct in the hotel business nowadays, as well. The job of this person has been replaced by self-operated elevators and escalators. Some of these individuals have been moved to the job of traffic managers, who are the people who guide guests to elevators in the lobby. In big, full-service hotels, the traffic managers can be a welcoming sight; the chaos of check-ins or check-outs can be reduced when they are on duty.

It is the duty of the concierge to make information, regarding entertainment, amusements, sports, tours, transportation, church services, and baby-sitting, in the area available. He or she must be very knowledgeable and has to be able to satisfy each guest's individualised needs. This individual also buys theatre tickets and makes reservations in restaurants for guests. Typically, the concierge is based at a desk in the lobby of the hotel property.

The desk clerk carries out a number of duties, such as, reservations and registrations and they also take on the positions of cashiers, telephone operators, and so on. Whatever the guest requires is made available and it is the front desk clerk, who is called upon to make hospitality available with efficiency and professional dignity. In limited-service establishments, the general manager may also assist, if

needed, to help process reservation requests, check-in guests at arrival, and check them out upon departure.

The role of the night auditor in a limited-service property is significantly different from his or her counterpart in a full-service hotel. As there are no transactions from departments like banquets, restaurants, gift shops, lounges, or spas the night auditor is chiefly concerned with posting room and tax charges and getting statistics together for the hotel. With the help of computer technology, the completing of the night auditor's duties can be done in a minimum amount of time. It used to take a lot longer. This task, as indicated previously, can also be carried out early in the morning before the guests' checkout.



*The front office staff, in a limited-service hotel, includes a very minimal number of employees.*

Fig: 2.4

## The Function of the Front Office Manager

A flourishing front office manager transfers the spirit of the given hotel property to the guests. By using management principles, he or she operates through the front office staff to confer the feelings of caring, warmth, efficiency and safety to every guest. The front office manager has to train the staff in the technical facets of the **Property Management System (PMS)**; this is a hotel computer system that networks the hardware and software uses in reservation and registration databases, point-of-sale systems, and accounting systems, in addition to other office software. He or she also needs to uphold the fragile balance between delivering hospitality and service and endorsement of the profit centres, while also maintaining the details of the communication system.

The basic elements of successful management practices: equipment, employees, inventory (rooms to be sold), sales opportunities, and a budget are also at the disposal of the front office manager. The manager has a duty to coordinate these basic elements to reach the profit targets of the lodging business.

Front office workers have to be properly trained to perform within the boundaries and policies of the lodging business. The front office manager cannot presume that a worker knows how to carry out certain duties. Each employee will require instructions and aid in how to offer hospitality; the attitudes of the

front office employees' are of utmost importance to the industry. To make certain that the proper attitude is maintained; an environment in which the work of employees motivates them to excel and nurture morale and teamwork should be maintained.

The tools available to the front office manager are wide ranging. With the advancement in computers, the property management system gives front office manager the absolute opportunity for managerial controls. He or she can with ease track information such as visitor zip codes, frequency of visits by corporate guests, quantity of funds a given conference generated and pass this information on to the marketing and sales department.

A guest room not sold is an opportunity that is lost forever. This is among the greatest challenges of the front office manager. Coordination between the sales and marketing departments and the front office are essential to create a profitable advertising and point-of-sale strategies. The subsequent training of front office personnel to grab every opportunity to sell vacant rooms helps to ensure that the financial targets of the hotel property are reached.

Budgetary procedures have to be created by the front office manager and the general manager, because the front office manager is in possession of large amounts of funds in his or her control. The budgeting of funds for supplies, payroll, chances for daily sales and precise recording of guest charges require that the front office manager use all managerial skills.

The most important characteristic of a front office manager is that of "team player." The front office manager does not work alone in reaching the profit targets of the lodging property. The general manager establishes objectives, goals, and standards for each department to follow. The assistant manager provides further insight to the different departments relating to reaching the operational needs of the business. The controller provides valuable accounting information to the front office manager as feedback on existing performance and reaching budgetary goals. The food and beverage manager, housekeeping and plant engineer give guests vital services. Where there is lack of communication and cooperation between these departments and the front office, hospitality cannot be made available.

The Director of Marketing and Sales comes up with ideas to attract guests to visit the lodging property. Such programmes aid the front office manager to sell rooms. The Human Resources Manager completes the team by giving the front office with capable personnel for fulfilling the targets, objectives, and standards established by the general manager.

## The Art of Supervising

The initial step in adopting a supervisory style is to study the manager's position in the in the scheme of the management team. As the front office manager, you are given some responsibilities in addition to some authorities. These are the areas where participation, expansion, and limitations on the management team take place. While this is a simple version of the management team, it aids in clarifying managerial practice. At this time, a manager should also go over personal career aims with this organization. The information will give you insight into the specific areas of hotel service that will offer

good exposure and experience. Once your own area of participation and plan for growth is defined, you can decide how to best head a team for a financial success and personal growth.

Another supervisory obligation is to establish a balance among the different personalities in a group work environment. This situation is ever evolving and constant. Very often a new supervisor will not have the time to measure the relationships between employees on the team, yet, such dynamics are essential to creating a positive and efficient “team” setting.

The manager needs to be unbiased about the strong suits and weaknesses of his staff. He needs to be aware of who the unofficial leader of the group is? Who is the trouble maker? Who complains nonstop? Neutral views of the staff are most likely to be shared by the remaining team. Frequently, staff members are well aware of the deficiencies of their co-workers. The unofficial leader can help the supervisor in passing important ideas.

Accountability of communications inside a hospitality establishment typically rests with the front office. From the guest’s point of view, this is the most visible department in the lodging business. The different departments of the establishment understand that the transfer of information to guests is best carried out through the front office. In cases of communications failing to make it to the guest, it is the front office that comes under fire at check out time. The more organized a system of communication, the better it is for all concerned.

For instance, messages relating to the upcoming shift of desk clerks may be noted in a **message book**, a loose-leaf binder in which various shifts of the front desk can record vital messages. This is a vital communication tool that keeps all relevant personnel at the front office informed of changes, additions, and deletions of activities and information that has bearing on operations of the front office. Furthermore, **daily function sheets**, listing the events planned in the lodging and related updates have to be delivered to the front office on a regular basis.

If a guest lodges a complaint regarding room maintenance, that complaint has to be conveyed to the right person. The complaint is reviewed by a staff member, followed by front office manager, housekeeping staff member, maintenance staff, and/or the maintenance director to make certain the issue is resolved.

Inquiries related to hotel services, accounts payable, reservations, scheduled events and messages for the resident guests make up a few of the numerous requests for information. Desk clerks and telephone operators are supposed to know the answers to all of these types of inquiries or at least know to whom they should be referred.

## The Reservation’s Office

Reservations lead to actually reserving a given kind of a room for a specific guest for a given duration of time. Reserving a room makes certain or guarantees the guest – the availability of the room when they arrive at the hotel.

A significant amount of importance is linked with the reservation system because it helps in:

selling the primary product of the hotel, i.e., lodging or accommodation;  
 building a good first impression on the prospective client;  
 generating customers for the other departments of the hotel; and  
 generating and providing information to the other departments of the hotel.

The reservation clerks make a note of the reservation bookings. The process of reservation varies from hotel to hotel depending on the **reservation system** the hotel is using.

## Types of Reservation System

The reservation system comes into play as soon as the request for reservation is received by the hotel. It may take the form of a direct query from the guest, through a tour operator, or the travel agent. An efficient and effective reservation system is vital to achieving maximum profitability. Every reservation is noted on a small, multipart piece of paper attached in a metal frame; this is then filled in date and alphabetical order on a metal rack. Typically, the slips are colour - coded to indicate the type of the guest.

Normally, there is one rack for each day for the duration of the coming say three months and fewer racks for more distant periods. Copies of the slip, also on racks, can be dispatched to other departments like reception or telephones for when the guests come. Most hotels now have computerized systems for bookings and maintenance of records.

## Accepting or Denying Reservation

The process of accepting a reservation request involves, making certain of the availability of the desired type of room for the given length of time. This part can be checked using reservation charts, forecast boards or the computerised systems. If the room is available then the request for reservation is accepted or else denied at once.

The process of accepting a reservation is fairly complex. This is a crucial decision the reservation workers have to make either accepting or refusing it. To help finalise this decision, staff makes use of information like credit standing of the individual/agency/and company, the kind of guest (tourist, VIP, and business traveller), reason for visit, and duration of stay, etc. If a computerised system is being used, it will only take a few minutes to reach to a decision, since the needed information will be obtained by just pressing a few keys. However, with a manual system, information processing will probably take longer. Naturally, a denial of reservation to any guest means loss of business which leads to loss of revenue. Sometimes the way in which a guest is refused reservation can lead to permanent loss of business from that specific client. The decision to not provide a reservation is taken in the following situations:

**If the hotel is booked to its capacity:** If the hotel is fully booked you have no choice but to refuse, but do so very politely. If possible, recommend an alternate hotel in the area or another property

belonging to the same group, if the group does not have another hotel then another hotel of the same standard may be recommended.

**If the requested category of accommodation is not available:** In case the type of room requested is not available, recommend an available room in a different category and make an effort to sell a room of a higher category than requested.

**The guest or agent is back listed:** Sometimes, guests are back-listed due to prior record of non-payment or delayed payments. The same situation applies to agents. In such circumstances, if there is a doubt or complication it is best to take the help of the reservation supervisor/manager. At times, the reception staff overbooks to take care of contingencies, such as, guests who do not showing up even after confirming reservations or in situations where tour operators make reservations for more than the actual number of passengers to obtain bigger discounts on volume. Whether it is high season or not, this factor also plays a role in making over-bookings. During the high season reservation staff does not like to take chances with over-bookings. Decisions relating to over-booking are determined by the hotel's reservation policy, i.e., the way the management wants to position their property in the market will determine the reservation policy.

## Yield Management: Choosing the Most Profitable Reservations

*Yield Management* is not a very exciting term on its own. But, the results of a yield management programme that is well implemented are certainly exciting! Implementing properly translates into more money for the business. The key is to sell more and to do so at higher profitable terms. Profits are the only measure of the success of a business. All of the following groups benefit from higher profits:

**Guests**—They are among the chief beneficiaries of higher profits and revenues. If revenues are going up, it can only translate to one thing: You are better serving the guests. The guests are happier, have greater loyalty, and tell others eagerly about their great experience.

**Employees**—In order to achieve long term success, workers must be engaged in profit making and profit taking. Allow them to earn as much money as they can by generating more money for the property.

**Management**— Management needs structured reward systems. Such systems show their need for income and accomplishment and greater profits for the property.

**Shareholders and investors**—Return on investment, share prices, dependable growth etc. are all results of enhanced revenue. Money attracts money, and the investors will savour the long-term growth potential of their investment. Managers usually face six chief barriers in their efforts to put into an action a yield management system. These are:

- **Lack of creativity** — Training sessions in a majority of the establishments do not emphasize the creative portion of the customer satisfaction;

- **Lack of attention**—Staying focused all the time is difficult, and as soon as you stop, things go wrong;
- **Monitoring the wrong signals** – Generally, we keep an eye on the things that are easy to measure, like food costs, inventory. We should keep an eye out for opportunities, not statistics;
- **Conflict between sales and service** – When profits are linked on two way delivery of both sale and service, there will be conflict. The front-of-the-house, as well as, back-of-the-house workers must work together for the same goal of serving and satisfying guests;
- **Targeting the wrong customers** – The right consumer is the one that will buy the maximum amount of your product and services. Be on the look-out for customer with money to spend and provide you with appropriate profit. Make use of marketing mix variables of product, promotions, price, and distribution to appeal to and hold the right consumer; and
- **Rewarding the wrong behaviour** – A lot of the sales management policies are created to support occupancy and the average daily rate. By rewarding the wait staff, restaurants allow customers to encourage highly priced items. In any case the sales may not show the best interests of the property. Yield management is designed to enhance profit and not just gross sales.

## Basic Concepts of Yield Management

Yield Management has to have knowledge of the guests' anticipated behaviour, which is also an understanding of which business most serves the hotel's interest. The aim of yield management is to choose which business to accept and which to refuse (when the demand is more than supply), based on the relative value of each booking.

## Rate Category Controls

The aim of yield management is to make use of demand projections to figure out how much to charge for rooms in any given day. A property's yield management objective needs to be to sell the hotel as near the arrival date as possible. This is because the more in advance a hotel is sold out with short stay or discounted business, the more the chances that high-value bookings will have to be turned away. This forecasting method requires a nonstop process of comparing remaining demand for elevated rate stays (and more than one night stays) against remaining inventory available. Rate category controls to aid in ensuring available inventory to oblige the projected elevated rate demands.

## Length-Of-Stay Controls

Putting the length-of-stay control in place takes the management decision rate a bit further. The core of the rate control strategy is having just one room available for sale and deciding if you should sell it to one guest for \$100 now or wait and hope to sell it to another guest for \$150. Alternatively, the length-of-stay is when there is one room available for sale at \$150 and deciding if to sell it for one night or to wait it out, with the possibility of selling it to a different guest for four nights.

## Groups: Rates, Dates, and Space

Yield Management is the idea of moving away from unfavourable business in times of high demand. But, the real skill of Yield Management is about knowing how to turn an unfavourable booking into one that

becomes favourable. So, one important factor of Yield Management is teaching all workers the talent of saying yes.

The skill of saying yes is especially important when negotiating group business, which typically involves decisions regarding dates, space, and rates. Rates have to do with what the group are to pay; dates deal with when the group will be staying and space is the number of rooms the group will be using.

Turning an unfavourable offer into one that becomes a desirable contract means varying the different components until the hotel's sales associate and the meeting planners are both satisfied with what they have. Too frequently, the hoteliers either refuse the group's request entirely or try to adjust the group's request in a way that it is advantageous to the hotel.

## Generating Reservation Reports

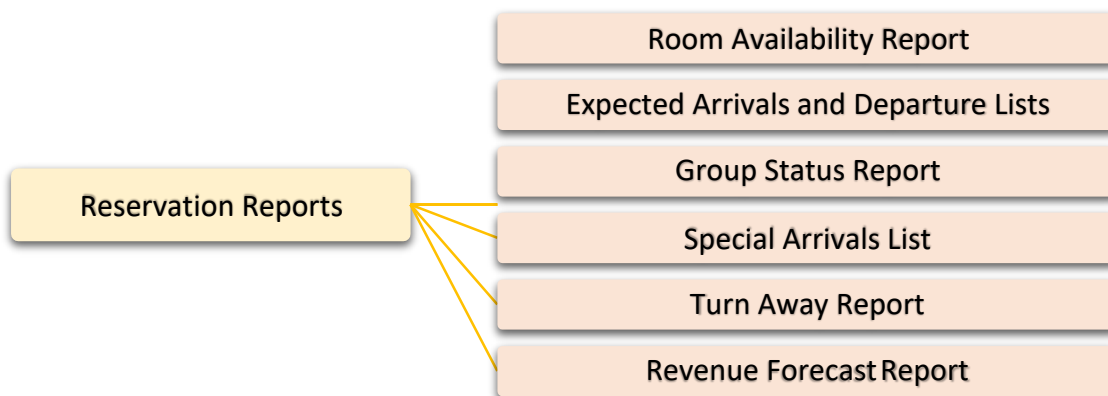


Fig. 2.5

So, now you understand that the reservations department has a lot of information available and it has to be organized. Once the needed information is collected, guests' portfolio is made it has to be kept up to date. When this is completed, then, daily/weekly reports based on this information need to be generated.

Such reports can include:

**Room Availability Report:** A listing of the rooms sold/available that can be made on a daily or weekly basis.

**Expected Arrivals and Departure Lists:** A list of guests who are scheduled to arrive or to leave on a given day.

**Group Status Report:** A list of groups to arrive/depart in the week or month, along with information like the group size, whether it is a guaranteed or non-guaranteed booking, etc.;

**Special Arrivals List:** A list of special guests or VIPs arriving. This should include details like special requests and information about the likes/dislikes of the guest;

**Turn Away Report:** A report on the number of reservation requests denied; and

**Revenue Forecast Report:** A report on the potential revenue from the future room sales, in addition to the regular or latest date reports.

In a majority of the hotels the final report preparation is done under the supervision of the front office manager

## Managing Reservations

The most significant decision of the management team is to forecast the need of rooms according to the reservation reports. The forecasting can be completed for a duration varying from ten days to over the coming several months, as tour operators plan trips 12 to 14 months ahead of time. Short term forecasting is completed with important functions/festivals or sporting events in the locality.

## Sales Indicators

Sales indicators refer to how hotels count and measure their business performances. Some basic indicators which are applied by hotels include the followings:

### i. Occupancy Rate

'Occupancy Rate' is a common sales indicator which tells how well the hotel has fully utilized the room resources to maximize profit. It is always the objective of hotels to achieve a full-house, i.e. 100% occupancy, when all the rooms are sold out for the night.

In Hong Kong, the hotels' occupancy rates remain at around 80% to 87% (Year 2006 - 2010). The formula of occupancy rate is shown as below:

$$\text{Occupancy Rate} = \frac{\text{Number of Rooms Sold}}{\text{Total Number of Rooms in a Hotel}} \times 100\%$$

### ii. Guests per Occupied Room

'Guests per occupied room' tells the ratio between guests staying in the hotel and the quantity of occupied rooms. Regardless of the room types available in the hotel, it gives a general idea of how many guests are being served in each room. The information would be useful for different departments, e.g., the housekeeping department can refer to the guest ratio to estimate the consumption rate of guest supplies. The formula of the guest per occupied room is shown as below:

Average Daily Room Rate (ADR) =	Room Revenue
	Number of Rooms Occupied

### iii. Average Daily Room Rate (ADR)

While the occupancy rate tells the 'quantity' of businesses, the top management are also interested to know about the 'quality,' i.e., how much they charge for a hotel room. The 'average daily room rate' is calculated which gives a general estimate of the average room charge received by a hotel, regardless of the differences in room types and rates. The formula of average daily room rate is shown as below:

Average Daily Room Rate (ADR) =	Room Revenue
	Number of Rooms Occupied

### iv. Revenue Per Available Room

#### (REVPAR)

'Revenue per Available Room' (REVPAR) is similar to the 'Average Daily Room Rate' (ADR) in indicating the hotel's performance. The only difference between REVPAR and ADR is the denominator. Instead of just considering the actual number of rooms sold, hotels tend to use all rooms available in calculating the REVPAR, i.e., to include all vacant rooms, out-of-order rooms, and rooms for 'house use' in calculation. The value is always smaller than the ADR which serves as a good means to check the ability of management in utilizing all room resources to maximize the hotel revenue. The formula of REVPAR is shown as below:

Revenue Per Available Room (REVPAR) =	Room Revenue
	Total Number of Hotel Rooms

### Check-In Process

Since a lot of information is exchanged between the hotel and guest during the check-in process, it is a vital step, regardless of the fact if the process is computerised or manual. The physical process begins as soon as a guest walks-in (no reservation) or a guest with confirmed reservation steps into the hotel

seeking desired or requested accommodation. If the availability of the room is there, the walk-in guest is assigned the room while, the guest with reservation is given the room which was requested by him/her.

The minimum information needed for manual registration is the guest’s name, number of people in the group, the duration of stay and payment mode. The room is assigned to the visitors and normally the bellboy or porter takes their luggage and shows the visitors to their allotted rooms. In the meantime, the front desk processes the information obtained and generate the guest account for the required duration of stay.

When computerised check-in is used, only the walk-in guests have to provide personal information, while guests who have reservations only have to confirm the information already available in the computers of the reception/front desk. After allotting the assigned room, the computer updates the information automatically and for the needed duration of stay, the rooms will appear as occupied.

Figure 2.6 shows the standard procedures of registration at the front desk counter:

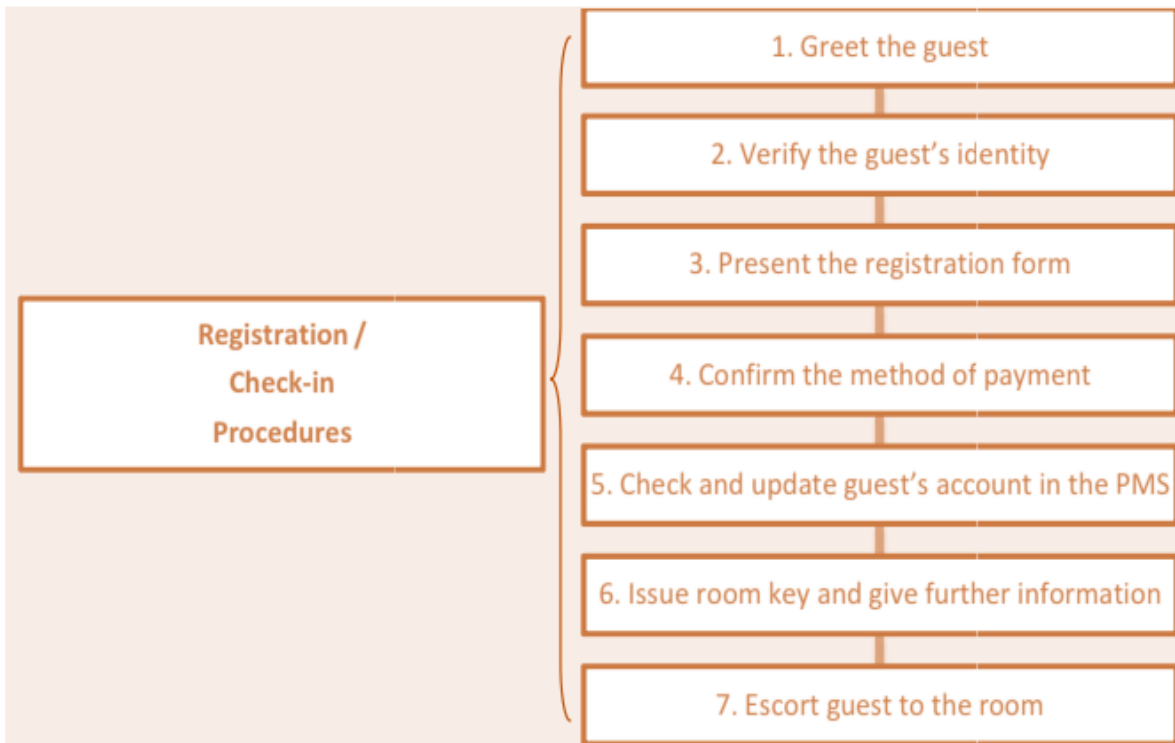


Figure 2.6 - Registration / Check-in Procedures

### **I. Greet the Guest**

Receptionists should always be attentive to the presence of guests at the front door and lobby areas. They should give warm greetings to the guests when they approach to the front desk.

### **II. Verify the Guest's Identity**

Ask if the guest would like to check-in. Verify the guest's identity by checking his/her passport, booking voucher, and confirmation number.

### **III. Present the Registration Form to the Guest**

Confirm booking information printed in the registration form with the guest. For example, room type, room rate, the length of stay, and special requests, if there are any. Ask the guest to complete and sign the registration form if he/she agrees with the terms of accommodation arrangement.

### **IV. Confirm the Method of Payment**

If a credit card is used, check the guest's name, the card's validity, and its expiration date. For guests who prefer paying cash, make sure they have "paid in advance" (PIA) with cash deposit. Guests should also be reminded that they will not be allowed to post any charges to their guest accounts if no credit card is provided at the time of checking-in. Procedures of handling other types of payment, e.g., personal checks or direct billings should also be handled with extra care.

### **V. Check and Update the Information of the Guest's Account in PMS**

Check if the guest has any mail, messages, or articles, which have been received before the guest's arrival. Select and assign a suitable room to the guest according to his/her booking information.

### **VI. Issue Room Key and Give Further Information**

While issuing the room key and giving direction to the guest, a receptionist should also take the chance to provide more information of the hotel. For example, the breakfast arrangement; the operation hours of hotel's outlets and facilities and; how to contact the hotel's staff for assistance during the stay, etc.

## VII. Escort Guest to the Room

Ask if the guest need assistance from the baggage attendant who can take the guest’s baggage and escort the guest to the guest room.

### Front Office Accounting

Throughout the day, the hotel has numerous transactions with the guests residing there. The transactions are related to the different services the guests can use; it may be room service or laundry service. For most of the occasions the guest makes no payments after availing the service available at the hotel as this amount is posted on his/her bill.

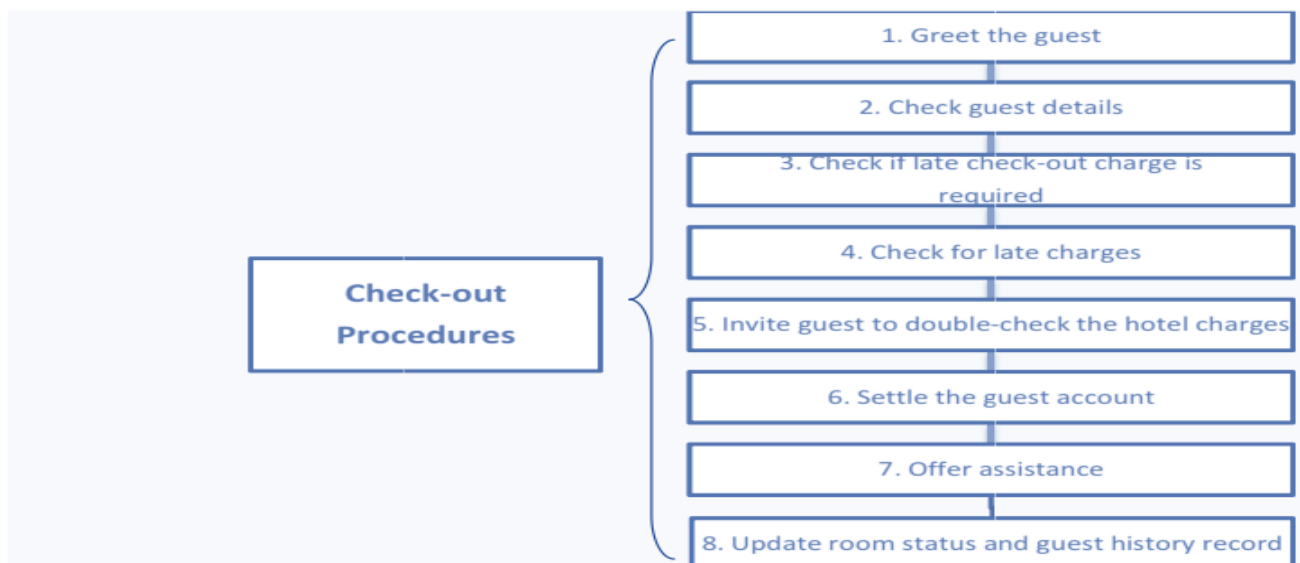
The posting process maintains the guest’s billing up to date. The process can be carried out manually or by computer. When the posting is completed, it is vital to recheck and ensure that the correct amount is posted in the portfolio and also, to the right department’s account.

It is the supervisor’s duty to check details on a regular basis since the guests check-in and out daily and transactions are taking place on a repeatedly. During the daylight hours, the front office is very busy with a lot of activities but at night time it is relatively slow with less burden of work. Hence, this is the correct time to match bills and receipts. The workers carrying out this job are called night auditors.

### Check–Out Process

Check out time is the last time the guest will come in contact with the property and the experience at this time will leave an impression that the guest will take with them. In other words, if the process is unflawed, the guest will take away pleasant memories.

Figure 2.7 shows the general procedures of checking-out a guest upon departure:



### I. Greet the Guest

Same as the check-in procedures, greeting is the basic of a quality service to your guest. Through greeting, a receptionist can also take the chance to ask the guest for his/her comment about the stay.

### II. Check Guest Details

It is important to check guest's details, e.g., the guest's name and room number. Guests with identical or similar names should be aware to avoid mistakes in the check-out process.

If the guest leaves earlier than expected, either departments will need to be informed. Double check with the guest so to make sure satisfactory services are provided to the guest during the stay. Ask the guest to return the room key. Check the corresponding room number if 'old-style' metallic keys are used in the property.

### III. Check if Any Late Check-out Charges should be Imposed

Normally, hotels would request their guests to check-out before 12 pm. Receptionists should follow the hotel's policy for handling the cases of late check-out. Some hotels would charge 50% of the daily room rate for those who check-out before 6 pm and a full rate is charged after 6 pm.

### IV. Check for Late Charges

It is the responsibility of the receptionist to ask whether the guest has used some charged services while checking out. For example, the guest may check-out immediately after he/she has consumed breakfast in the restaurant. The breakfast charge may not have been posted to the guest account by the restaurant staff if he/she is too busy in serving other tables at the moment. Consumption of mini-bar items is another common example of late charges which may require the help of room attendants in updating the status upon check-out. Any discrepancies could lead to unnecessary losses in hotel's revenue.

### V. Invite Guest to Double-Check the Hotel Charges

Produce guest folios (guest bills) for guest inspection and master folios (master bills) for the tour escort's inspection. The receptionist should print and present the master to the guest for his/her checking before bill settlement. It is the responsibility of the receptionist to explain the charges to the guest if he/she has any questions and make corrections if necessary.

### VI. Settle the Guest Account

Re-confirm the method of payment. It is common that some guests, especially, business travellers and tours would like to split their consumptions into two different folios (bills): **master** and **incidental**.

Generally, **masterfolios (master bills)** only include room and breakfast charges which should be paid by enterprises to cover the necessary expenses of their travelling staff or; by

travel agents which have already received the payments from tourists included in packaged prices beforehand. Other personal expenses, such as telephone, spa, and in-room movies, would be put into the **incidental folios (incidental bills)** as guests' own responsibilities.

## VII. Offer Assistance

Ask if the guest need any assistance of the bell service, shuttle or arrangement of other transportations. Some may request the front desk to keep their baggage for a certain period of time before their departure. Receptionists should also take the chance to help the guests in making future reservations upon request, particularly reservations in other hotels under the same chain.

Hence, to make this process highly efficient and flawless, it needs to be separated into three parts.

- a) Guest vacating the room
- b) Guest settling the bill
- c) Guest departing.

The hotel's check-out time determines when the guests will typically leave the room. Most usually this is done at 12 noon. At times, depending on the availability of the room and the kind of the guest, the check out time may be extended to accommodate a guest on special request. Maintaining a check out routine helps the hotel and allows the housekeeping to get the room ready for the next guest. However, a number of smaller hotels allow flexible check-out times. In such cases the next guest allotted the room has to wait in the lobby while housekeeping gets the room ready.

## The Electronic Front Office (EFO)

In this age of computerization, front office is becoming vital to provide efficient, reliable and effective services to the visitors with optimum technology input. Computerizing the front office is a portion of the Property Management System, whereby all the different departments of the establishment are connected to the mainframe. It is important to note here that the EFO is not an independent entity, but is connected with the different departments of the hotel also.

Let us now go over the importance of computerisation and the subsequent inter-dependence of the front office with the different departments.

### Reservation:

Bookings can be taken immediately and cross checked with the existing data in the computer. So, you can know instantaneously whether a certain type of the room requested is available or not in addition to other details like the other types of rooms available on the given date, facilities, room location, rates, and if the guest is a repeat customer. The booking and guest information is passed on to the front office people. In this way the front office knows about advance bookings and gets client details very fast.

Hotel's CRS helps a visitor to book and know the status of his/her booking in any of the group hotel(s). The group hotel may be international or national, the CRS still provides a quick and dependable information on the availability of room to the guest.

### **Yield Management:**

The function of the yield management system is to achieve maximum room occupancy and at the same time determining the best average room rate. Yield management has to take into account a number of reports and "what if...?" questions. Since the rate of the room is adjusted in keeping with the occupancy rate of the establishment during the same time in previous years. The front office manager takes the yield management decisions and reports produced by the computerization are very beneficial in reaching these decisions.

### **Registration:**

As already stated the guest information needed is taken during reservation and so the guests only have to sign-in and check-out. Remote check-in facilities are also becoming popular at airports. Increasing in popularity are also the plastic or paper keys. When the guest is allocated a room the key is printed automatically. At the same time, the lock configuration of the assigned room is changed to match the unique key. This means that at check-out time and if the guest loses the key, the lock is reprogrammed, and any lost keys or those belonging to previous occupants of the room cannot be used.

### **Energy Management System (EMS):**

This system ensures regulated energy use. When the guest inserts a key into the special socket next to the door, the EMS starts the power in that room inclusive of the ventilation and lights. Upon departure, after a timed delay the power to the room is switched off. The front office has to notify the guest about the EMS on arrival.

### **Telephone Call Accounting:**

The guests are able to make direct calls from their room without having to go through the operator. This provides the guest with better privacy and improved service while the hotel staff is left with less work. The details of calls are recorded and charges posted on the guest bill.

### **Posting:**

All departments of the hotel whether it is bar, room service, restaurant, laundry, or business centre post their charges directly to the guest's bill. The guest's name, room number, and details of the account are updated on the guest's account. This translates to less paper work for the concerned staff.

**Check Out:** A check-out system that is fully automatic will allow guests to review their account on the TV set in the room. The guest is able to verify the bill and their check-out from their room. The final settling of the bill is carried out at the reception where the guest pays for the stay. This saves a lot of time and the guest will not have to wait in long lines where lots of people are waiting to check-out, particularly, in the early morning hours.

### **Auditing:**

The computer automatically checks and double checks different postings of the charges. In addition, it cross-checks the balance with the paid amounts at the reception.

### **Reporting:**

The different reports required by the front office manager are produced efficiently. The hourly status of the room from the front desk and housekeeping too can be reached for ready reference.

### **Further Reading:**

- ✓ *Peter Abbott, Sue Lewry, (1999), Front Office: Procedures, Social Skills, Yield and Management*
- ✓ *Ahmed Ismail, (2002), Front Office Operations and Management*
- ✓ *Sudhir Andrews, (2013), Hotel Front Office: A Training Manual*
- ✓ *Woods Robert H., (2007), Professional Front Office Management*