



# UNIT 2

## Managing Front Office Operations

### Learning Outcomes

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

- ✓ Describe the Front Office's operations and its Organisational Structure
- ✓ Recognise the Profitable Aspects of Yield Management

## Unit 2

### Managing Front Office Operations

Regardless of the class or type of hotel, 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 hotel. It is the hotel's communication nerve centre, where the most contact with guests occurs. Guests interact with the hotel for the first time when they interact with the staff of the front office, and their first impression of the hotel will be determined by 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, handling mail, and providing information. The financial tasks handled at the front desk include accepting cash payments, taking guest folios, checking verification, handling foreign currency, and accepting credit cards. This Unit will acquaint you with all the facets of front office management.

The **front office** is the focal point of the hotel establishment. Its two most important functions are accounting and communication. Efficient communications – with employees, guests, and other hotel departments – are essential for creating a hospitable image. Answering inquiries regarding hotel services, providing information on room availability to the sales and marketing departments, and 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 of the day or night; hence, accounts must be up to date at all times. Keeping the data organised is the top priority for hotels to ensure 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 hotel. A second job is to provide support and aid in making services available to the guests. The number of interactions and transactions between the hotel and guest during the stay establishes the type and nature of the front office operation.

The stages during a guest's stay are as follows:

- ✓ 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.

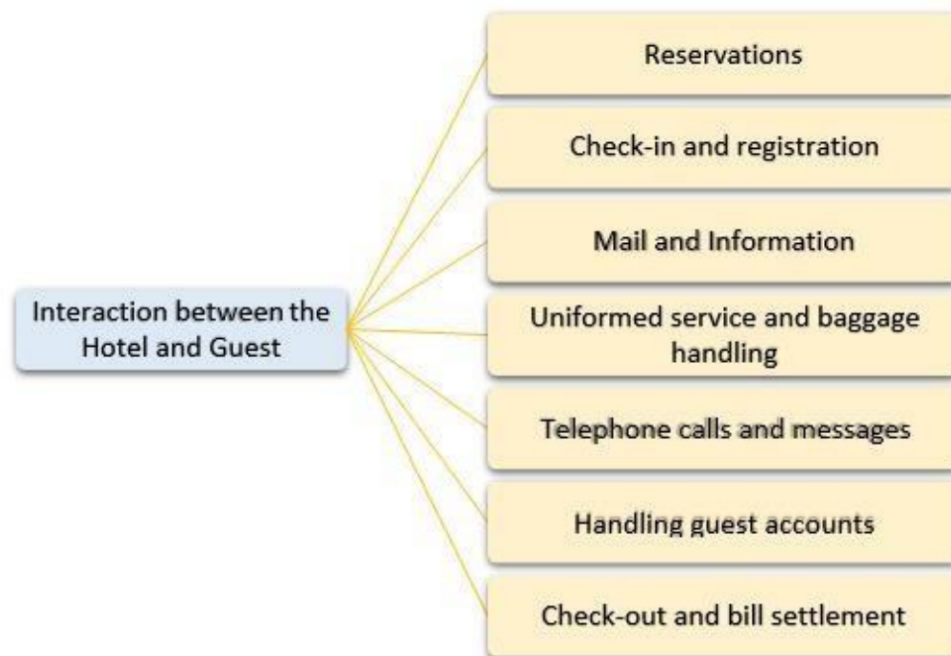


Fig. 2.2

All these detailed transactions and services are dealt with 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 while the remaining duties are conducted as back-of-the-house operations.

## Front-of-the-House Operations

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

Hence, decisions pertaining to the sale of a room to a specific guest, the availability and allocation of a room and upkeep of the guest's account in coordination with housekeeping and room service are the main Front-of-the-House duties. Finally, the account clearance or establishing of 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 the front office is the first and the last place (during check-in and check-out) where 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. As soon as a guest checks in, his or her account is activated. This account maintains a track of the guest's financial interactions with the hotel. Such financial interactions include reserving a room, room services, laundry, food and beverages 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 to be assigned a room. The night auditors help the back-of-the-office department in the hotel every night to maintain guest accounts. Many hotels extend credit lines to their guests or the companies that employ them. Employing a predetermined credit limit, the hotel allows the guest to spend a certain amount before requesting full or partial payment.

This type of agreement saves the guest a lot of check-out time. It also combines with housekeeping and room sales to preserve the status of occupied and vacant rooms. Lastly, the guest records or personal data are preserved by the front office, which is primarily a back-of-the-house activity. Thus, the guest cycle, which started with the guests booking, their arrival, the provisions for their stay, and their payment upon departure, is completed.

## Front Office: Organisational Structure

Figure 2.2 is an organisational chart showing 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 have 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 body of staff, as shown on the chart. Staffing the front desk positions incurs a cost to the lodging establishment. The front office manager, with the agreement of the general manager, normally prepares the personnel budget in accordance with salary levels throughout the lodging business.

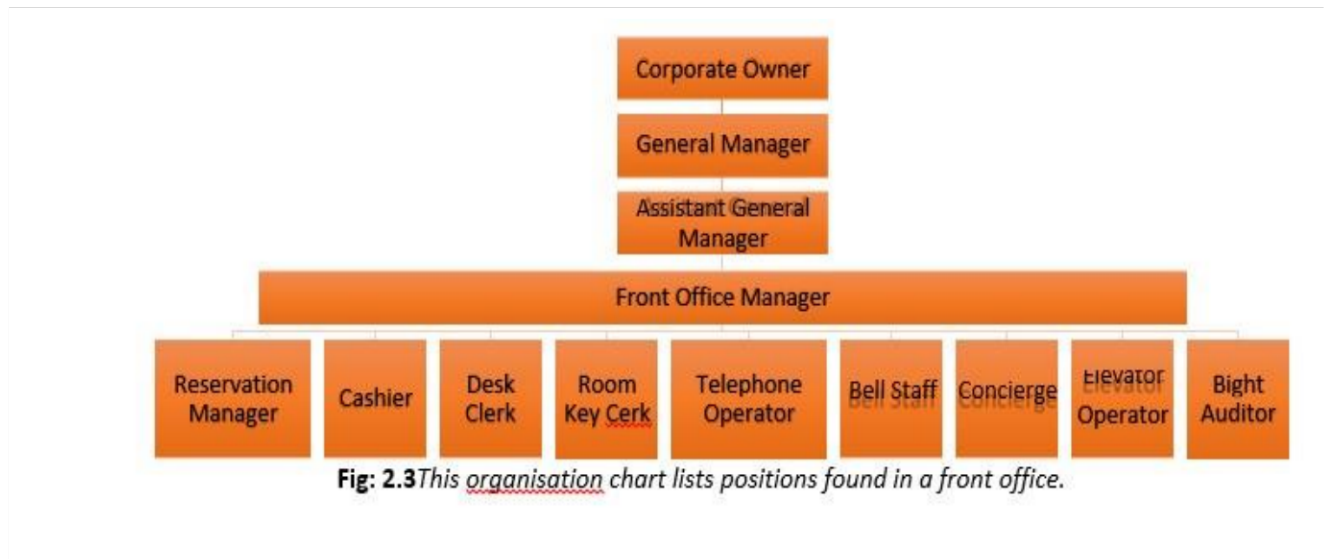
The duties of the front office staff vary widely. The **desk clerk** may do a number of jobs, including confirming guest reservations, registering guests, allocating rooms, passing out keys, communicating with housekeeping staff, attending telephones, giving information about directions to local attractions, taking cash and returning change, and acting as a liaison between the lodging business and the guest along with the community.

The **cashier's** job involves processing guest check-outs. This post is found in many lodging establishments, and it helps make the workload of the front desk manageable when the hotel is fully booked or very busy. There are times when several guests need to check out at the same time. At such times, when the queue at the cashier's desk is lengthy and some guests may be in a rush, the best planned systems use the following technology: an **express checkout**, where the guest makes use of computer technology in his/her room or a computer in the lobby to check out; **prior, approved credit**, or the use of a credit card to confirm creditworthiness; or **bill-to-account**, an internal billing process.

The position of **reservations manager** is a feature of many lodging businesses. 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 intended to give the guest the requested information and services along with accurate confirmation of these items. It is the reservation manager's job to keep an accurate account of the 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 accounting principles and the skills to work out financial inconsistencies. The post requires experience as a desk clerk and good communications with the controller.

The job of a **telephone operator** is very important in the hotel and lodging business. This individual has to be able to locate a registered guest or management staff member at a moment's notice. He or she must be prepared to deal with life-threatening crises or other emergencies. **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.



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, perform minor jobs, deliver supplies and pass out information to guests about local attractions. They also act as the hospitality link between the lodging business and the guest. They are a huge advantage to a well-run hotel business.

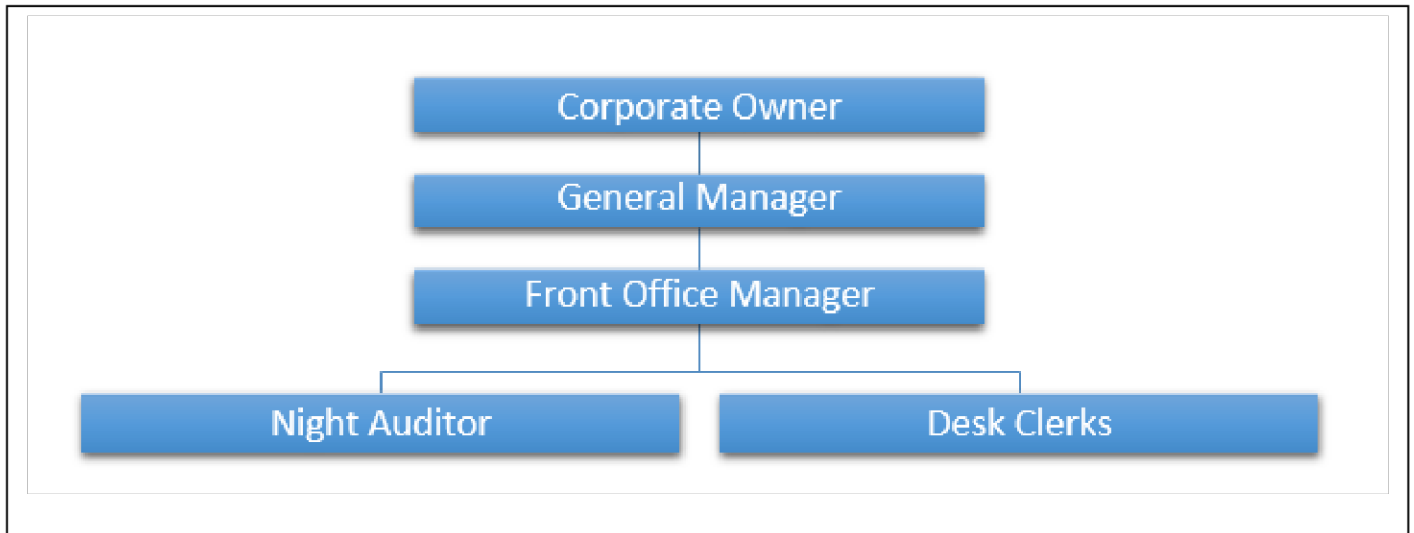
The **key clerk** is usually found in very large, full-service hotels that do not yet have electronic key systems. His/her job is to issue keys to registered guests and for linked security measures. Frequently, he or she will sort out incoming mail for registered guests or managerial staff. In most hotels, 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 guide guests to elevators in the lobby. In large, 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 about entertainment, amusements, sports, tours, transportation, church services and baby-sitting in the area available. He or she must be very knowledgeable and capable of satisfying each guest's particular 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, etc. Whatever the guest requires should be 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 on arrival, and check them out on 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 such as banquets, restaurants, gift shops, lounges, or spas, the night auditor is chiefly concerned with posting room and tax charges and collating statistics for the hotel. With the help of computer technology, the night auditor can complete his/her duties in a minimum amount of time. They used to take a lot longer. This task, as indicated previously, can also be carried out early in the morning before the guests check out.



*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 transfer 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 maintain the fragile balance between delivering hospitality and service and endorsing 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 ensure 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 advances in computer technology, the property management system gives the front office manager the ability to exercise total managerial control. He or she can easily track information, such as visitor postcodes, frequency of visits by corporate guests, and amount of funds generated by a given conference, 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 to the front office manager. Coordination between the sales and marketing departments and the front office is essential to create profitable advertising and point-of-sale strategies. The subsequent training of front office personnel to take 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, as the front office manager has control over large amounts of funds. The budgeting of funds for supplies, payroll, chances for daily sales and precise recording of guest charges requires the front office manager to use all his/her 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 into the different departments in terms of attaining 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 help the front office manager to sell rooms. The Human Resources Manager completes the team by giving the front office capable personnel to meet 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 scheme of the management team. The front office manager is given certain responsibilities and a degree of authority. These are areas involving the participation, expansion and limitations of the management team. While this is a simple version of the management team, it helps to clarify managerial practice. At this time, a manager should also review his/her personal career aims with the organisation. This information will provide an insight into the specific areas of hotel service that will offer good exposure and

experience. Once you have defined your own area of participation and plan for growth, you can decide the best way of leading a team for 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 constantly evolving. Very often a new supervisor will not have the time to measure the relationships between employees on the team; however, such dynamics are essential to creating a positive and efficient “team” setting.

The manager must remain unbiased about the strengths and weaknesses of his/her staff. He/she needs to be aware of certain matters: Who is the unofficial leader of the group? Who is the troublemaker? Who complains non-stop? Neutral views of the staff are most likely to be shared by the remaining team members. Frequently, staff members are well aware of the deficiencies of their co-workers. The unofficial leader can help the supervisor gain approval for important ideas.

Accountability for communications inside a hotel 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. When communications fail to reach the guest, it is the front office that comes under fire at check-out time. The more organised a system of communication, the better it is for all concerned.

For instance, messages relating to desk clerks’ forthcoming shifts may be noted in a **message book**, a loose-leaf binder in which employees working various shifts on 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 a bearing on operations of the front office. Furthermore, **daily function sheets**, listing the events planned in the hotel and related updates, must be delivered to the front office on a regular basis.

If a guest lodges a complaint about room maintenance, that complaint must be conveyed to the right person. The complaint must be reviewed by a staff member, followed by the front office manager, a housekeeping staff member, maintenance staff, and/or the maintenance director to ensure that 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 should at least know to whom they should be referred.

## The Reservations Office

Reservations secure a given kind of a room for a specific guest for a given duration. Reserving a room guarantees the guest the availability of the room when they arrive at the hotel.

The reservation system is of significant importance because it helps in:

- selling the primary product of the hotel, i.e., lodging or accommodation;
- making 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 note down the reservation bookings. The process of reservations 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 a reservation is received by the hotel. It may be received directly from the guest, through a tour operator, or from a travel agent. An efficient and effective reservation system is vital for achieving maximum profitability. Every reservation is noted on a small, multipart piece of paper attached to a metal frame; this is then filed in date and alphabetical order on a metal rack. Typically, the slips are colour-coded to indicate the type of guest.

Normally, there will be one rack for each day for the duration of the next few months and fewer racks for more distant periods. Copies of the slip, also on racks, can be dispatched to other departments such as reception or telephones for when the guest arrives. Most hotels now have computerised systems for bookings and the maintenance of records.

## Accepting or Denying Reservations

The process of accepting a reservation request involves ensuring 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, the reservation request can be accepted; if the room is unavailable, the request must be denied at once.

The process of accepting a reservation is fairly complex. The reservation workers have a crucial decision to make in accepting or refusing it. To help finalise this decision, staff make use of information such as the credit standing of the individual/agency/company, the kind of guest (tourist, VIP or business traveller), reason for the visit, and duration of stay, etc. If a computerised system is being used, it will only take a few minutes to reach a decision, since the required information can be obtained by pressing just a few keys. However, with a manual system, information processing will probably take longer.

Naturally, a denial of reservation to any guest means a loss of business, which leads to a loss of revenue. Sometimes, the way in which a guest is refused a reservation can lead to a permanent loss of business from that specific client. The decision to deny 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 alternative hotel in the area or another property

belonging to the same group. If the group does not have another hotel, you might recommend another hotel of the same standard.

**If the requested category of accommodation is not available:** If 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 blacklisted:** Sometimes, guests are blacklisted due to a 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 seek the advice of the reservation supervisor/manager.

At times, the reception staff members overbook to allow for contingencies, such as when guests fail to arrive even after confirming reservations or when tour operators make reservations for more than the actual number of clients to obtain bigger discounts on volume. Regardless of whether it is high season, this factor also plays a role in overbooking. During the high season, reservation staff members do not like to take chances with overbooking. Decisions relating to overbooking are determined by the hotel's reservations policy; i.e., the way in which the management wants to position their property in the market will determine the reservations policy.

## Yield Management: Choosing the Most Profitable Reservations

*Yield Management* is not a very exciting term on its own. However, the results of a yield management programme that is well implemented are certainly exciting! Proper implementation translates into more money for the business. The key is to sell more and to do so on more 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 increasing, this can mean only one thing: You are serving the guests better. The guests are happier, have greater loyalty, and are keen to tell others 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 possible 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 major barriers in their efforts to put a yield management system into action:

- **Lack of creativity** – Training sessions in a majority of establishments do not emphasise the

creative portion of customer satisfaction;

- **Lack of attention**—Staying focused all the time is difficult; as soon as you stop, things go wrong;
- **Monitoring the wrong signals** – Generally, we monitor things that are easy to measure, such as food costs and inventory. We should keep an eye out for opportunities, not statistics;
- **Conflict between sales and service** – When profits are linked to two-way delivery of both sales and service, there will be conflict. Front-of-the-house and 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 who will buy the maximum amount of your product and services. Be on the lookout for customers who have money to spend and will provide you with appropriate profit. Make use of the marketing-mix variables of product, promotions, price, and distribution to appeal to and retain the right consumers;
- **Rewarding the wrong behaviour** – A lot of the sales management policies are created to support occupancy and the average daily rate. By rewarding their waiting 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 requires knowledge of the guests' anticipated behaviour, which is also an understanding of which business category best 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 greater than the 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 work out how much to charge for rooms on any given day. A property's yield management objective is to sell the hotel as close to the arrival date as possible. The further in advance a hotel is fully booked with short-stay or discounted business, the greater the likelihood of having to turn away high-value bookings. This forecasting method requires a constant process of comparing remaining demand for elevated-rate stays (and more than one-night stays) against remaining inventory available. Rate category controls help to ensure available inventory to fulfil the projected elevated-rate demands.

## Length-Of-Stay Controls

Putting a length-of-stay control in place takes the management decision rate a little further. The core of the rate control strategy is to have just one room available for sale and to determine whether sell it to one guest for £100 now or wait and hope to sell it to another guest for £150. Alternatively, a length-of-stay control involves having one room available at £150 and deciding whether to sell it for one night or wait for the possibility of selling it to a different guest for four nights.

## Groups: Rates, Dates and Space

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

becomes favourable. Thus, an important factor of Yield Management is to teach all workers the skill of saying 'yes'. The skill of saying yes is especially important when negotiating group business, which typically involves decisions about dates, space and rates. Rates are concerned with what the group will 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 is advantageous to the hotel.

## Generating Reservation Reports

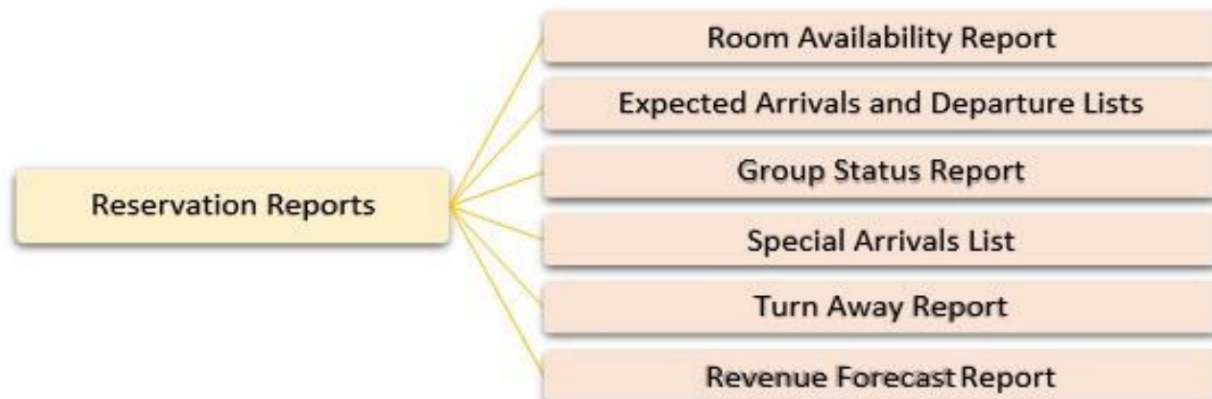


Fig. 2.5

You now understand that the reservations department has a lot of information available and it has to be organised. Once the required information is collected, guests' portfolios can be created and must be kept up to date. When this is completed, daily/weekly reports based on this information must 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 expected to arrive/depart in the week or month, along with information such as 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 such as special requests and information about the guests' likes and dislikes;

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

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

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

## Managing Reservations

The most significant decision to be made by the management team is to forecast the need for rooms according to the reservation reports. The forecasting can be completed for a duration varying from ten days to several months, as tour operators plan trips 12 to 14 months in advance. 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 following:

### i. Occupancy Rate

'Occupancy Rate' is a common sales indicator which shows how well the hotel has fully utilised the room resources to maximise 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, hotels' occupancy rates remain at around 80% to 87% (Period 2006 - 2010). The formula for the occupancy rate is as follows:

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

### ii. Guests per Occupied Room

'Guests per occupied room' is the ratio of guests staying in the hotel to 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 will 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 for guests per occupied room is shown below:

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

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

While the occupancy rate reveals the 'quantity' of business, the top management are also interested in the 'quality,' i.e., how much they charge for a hotel room. The 'average daily room rate' is calculated to give a general estimate of the average room charge made by a hotel, regardless of the differences in room types and rates. The formula for average daily room rate is shown 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., including all vacant rooms, out-of-order rooms, and rooms for 'house use' in the calculation. The value is always smaller than the ADR which serves as a good means of checking management's ability to utilise all room resources to maximise the hotel revenue. The formula for REVPAR is shown below:

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

### Check-in Process

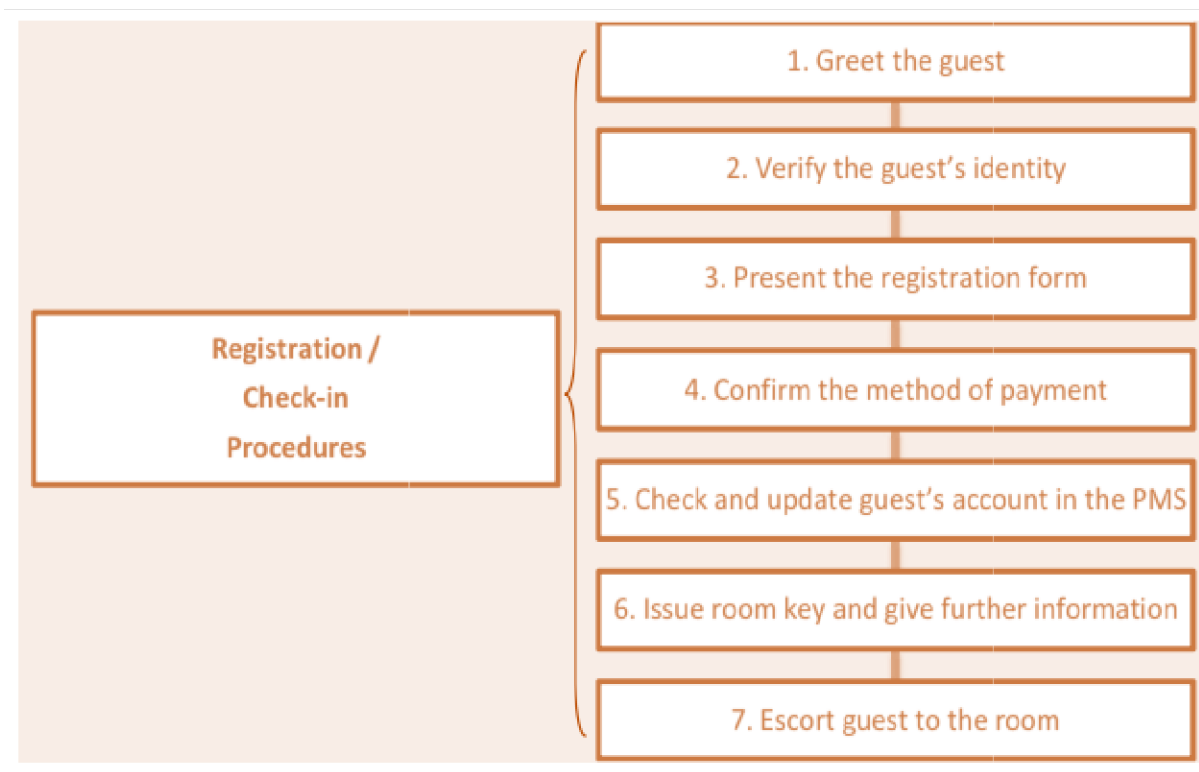
Since a lot of information is exchanged between the hotel and guest during the check-in process, it is a vital step, regardless of whether the process is computerised or manual. The physical process begins as soon as a guest walks in without a reservation or a guest with a confirmed reservation arrives

seeking the desired or requested accommodation. If a room is available, the walk-in guest is assigned the room; meanwhile, the guest with a reservation is given the room that he/she requested.

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 rooms are assigned to the visitors and, normally, the bellboy or porter takes their luggage and shows them to their allotted rooms. In the meantime, the front desk processes the information obtained and generates 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 need merely to confirm the information already available on the computer of the reception/front desk. After allotting the assigned room, the computer updates the information automatically, and for the required 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 the front desk.

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

Ask the guest whether he/she 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 on the registration form with the guest, including, room type, room rate, the length of stay and special requests, if 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 a 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 for 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 whether the guest has any mail, messages or articles that 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 directions to the guest, a receptionist should also take the chance to provide more information about the hotel. This includes the breakfast arrangements, the operating 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 the guest whether he/she requires the baggage attendant to carry the guest's baggage and

escort him/her to the guest room.

## Front Office Accounting

Throughout the day, the hotel will conduct numerous transactions with the guests in residence. These transactions are related to the various services the guests might use, such as room service or laundry services. Normally, the guest will not have to make any immediate payment after availing him/herself of the hotel's services as this amount will be 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 to the right department's account.

It is the supervisor's duty to check details on a regular basis since guests check in and out daily and transactions are taking place repeatedly. During the daylight hours, the front office is very busy with numerous activities but at night the level of activity is relatively low and the work less burdensome. It is thus an ideal time to match bills and receipts. The workers carrying out this task are called night auditors.

## Check-Out Process

Check-out time is the last time the guest will come into 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:

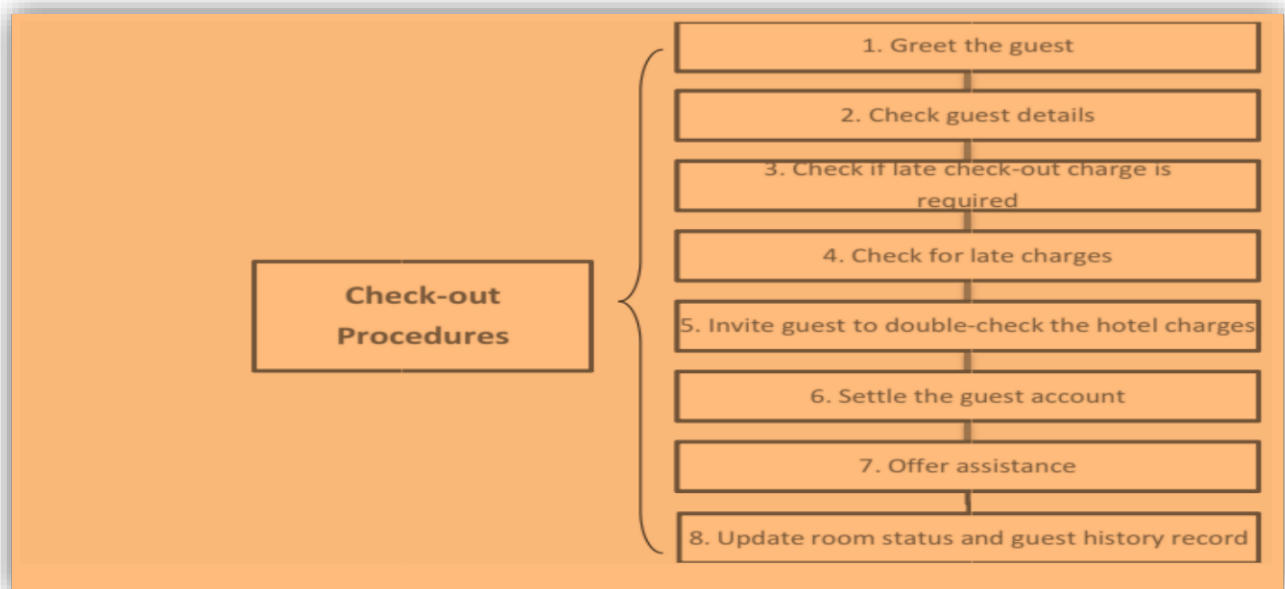


Fig 2.7 Check out process

### I. Greet the Guest

As with the check-in procedures, greeting is the basis of a quality service to your guest. Through greeting, a receptionist can also take the chance to ask the guest for his/her comments about the stay.

### II. Check Guest Details

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

If the guest leaves earlier than expected, other departments will need to be informed. Double-check with the guest to establish whether he/she has received satisfactory service during his/her 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 Whether any Late Check-out Charges should be Imposed

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

### IV. Check for Late Charges

It is the responsibility of the receptionist to establish, during the checking-out process, whether the guest has used any charged services. 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 they are too busy serving other tables. Consumption of mini-bar items is another common example of late charges which may require the assistance of room attendants in updating the status upon check-out. Any discrepancies could lead to unnecessary losses in the 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 him/her to check before bill settlement. It is the responsibility of the receptionist to explain the charges to the guest if he/she has any questions, and to make corrections if necessary.

### VI. Settle the Guest Account

Re-confirm the method of payment. It is common for some guests, especially business travellers and tourists, to split their consumption 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 who have already received the payments from tourists included in packaged prices beforehand.

Other personal expenses, such as telephone, spa, and in-room movies, will be put into the **incidental folios (incidental bills)** as guests' own responsibilities.

## VII. Offer Assistance

Ask the guest whether he/she needs any assistance from the bell service, shuttle or other transport arrangements. Some may ask the front desk to look after their baggage for a certain period of time before their departure. Receptionists should also take the chance to help the guests make future reservations upon request, particularly reservations in other hotels under the same chain.

This process can be made highly efficient and flawless by separating it 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 their rooms. This usually occurs at or before 12 noon. At times, depending on the availability of the room and the type of 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 housekeeping to prepare the room 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 prepares the room.

## The Electronic Front Office (EFO)

In this age of computerisation, the front office is becoming vital for the provision of efficient, reliable and effective services to visitors with optimum technology input. A computerised front office is a part 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 one that is connected to the different departments of the hotel.

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

### Reservations:

Bookings can be taken immediately and cross-checked with the existing data in the computer. Thus, one knows instantaneously whether a certain type of the room requested is available or not, as well as other details such as the various types of rooms available on the given date, facilities, room location, rates, and whether the guest is a repeat customer. The booking and guest information is then passed on to the front office staff. In this way the front office knows about advance bookings and obtains client details very rapidly.

A hotel's CRS helps a visitor to book and check the status of his/her booking in any of the group hotel(s).

The group hotel may be international or national, but the CRS still provides quick and dependable information on the availability of rooms to the guest.

### **Yield Management:**

The function of the yield management system is to achieve maximum room occupancy and at the same time determine the best average room rate. Yield management has to take into account a number of reports and “what if...?” questions, since the room rate 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 computerised systems are highly beneficial for making these decisions.

### **Registration:**

As already stated, guests’ information is taken during the reservation process; hence, the guests only have to sign in and check out. Remote check-in facilities are also becoming popular at airports, and plastic or paper keys are becoming increasingly common. 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, or 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 switches on 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 must notify the guest about the EMS on arrival.

### **Telephone Call Accounting:**

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

### **Posting:**

All departments of the hotel, including bar, room service, restaurant, laundry, and 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 reduces the amount of paperwork to be dealt with by the staff.

**Check Out:** A check-out system that is fully automatic will allow guests to review their accounts on the TV sets in their rooms. 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 queues where many people are waiting to check out, particularly in the early morning hours.

### **Auditing:**

The computer automatically checks and double-checks the various postings of the charges. In addition, it

cross-checks the balance with the paid amounts at the reception.

### **Reporting:**

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

### **Further Reading:**

- ✓ **Managing Front Office Operations, (2017), By Michael L. Kasavana, Ph.D.**
- ✓ **Convention Management and Services, (2016), By James R. Abbey, Ph.D.**
- ✓ **Sudhir Andrews, (2018), *Hotel Front Office: A Training Manual***
- ✓ **Robert Woods, Jack D. Ninemeier, David K. Hayes, Michele A. Austin, (2019), *Professional Front Office Management: Pearson New International Edition***