

# **FRONT OFFICE MANAGEMENT**



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**ISBN 978-81-945630-7-5**

**Edition : 2020**

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## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# FRONT OFFICE MANAGEMENT

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## ***Front Office Management***

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### **BLOCK 1 : INTRODUCTION TO HOTELS, COMMUNICATION AND FRONT OFFICE ORGANISATION**

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UNIT 1 CLASSIFICATION OF HOTELS

UNIT 2 INTERDEPARTMENTAL COMMUNICATION

UNIT 3 FRONT OFFICE ORGANISATION

# **INTRODUCTION TO HOTELS, COMMUNICATION AND FRONT OFFICE ORGANISATION**

## **Block Introduction :**

A hotel is often 'home away from home', and hospitality is essential for both the guest and the hotel. Guests expect and deserve hospitable treatment, and this involves not only a positive attitude but also offering products and services that make their stay enjoyable. Interdepartmental communication and coordination thus assume significance concerning how the front office relates with employees in other departments namely – marketing and sales, housekeeping, food and beverage, banquets, finance, maintenance, security, and human resources.

The hotel industry has evolved into its present form through modification of its services, architectural design and care for guests. The modern hotel aims to provide clean, hygienic and well-appointed rooms with quality services to its guests. The industry is so diverse and specialised that each hotel must have a unique selling proposition to survive in the business. Every hotel tries to establish itself as exceptional, offering the best service to its guests. The classification of hotels, thankfully helps tourists select hotels that meet their expectations.

The Front Office department of a hotel is responsible for developing and maintaining the guest database, coordinating guest services, and ensuring guest satisfaction. Employees in diverse areas of the front office perform these functions. Large hotels often organise the front office according to functions, with different employees handling each. This division of duties enhances the department's control over its operations.

## **Block Objectives :**

- Categorise hotels based on size (room count), target market, levels of service and ownership and affiliation.
- Explain the importance of interdepartmental and intradepartmental communication and coordination.
- Relate the importance of Total Quality Management (TQM) in communication.
- List the various sections of the front office department.
- Classify the sections and layout of the front office.
- Illustrate the organisation of front office staff.
- Describe the duties of front-office employees.
- Define the qualities of front office personnel.

## **Block Structure :**

**Unit 1 : Classification of Hotels**

**Unit 2 : Interdepartmental Communication**

**Unit 3 : Front Office Organisation**



**UNIT STRUCTURE**

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- 1.1 Introduction
- 1.2 Classifying Hotels
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  - 1.2.2 Target Markets
  - Check Your Progress 1
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**1.0 LEARNING OBJECTIVES :**

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- Classify hotels based on size (room count)
- Classify hotels based on the target market
- Classify hotels based on levels of service
- Classify hotels based on ownership and affiliation

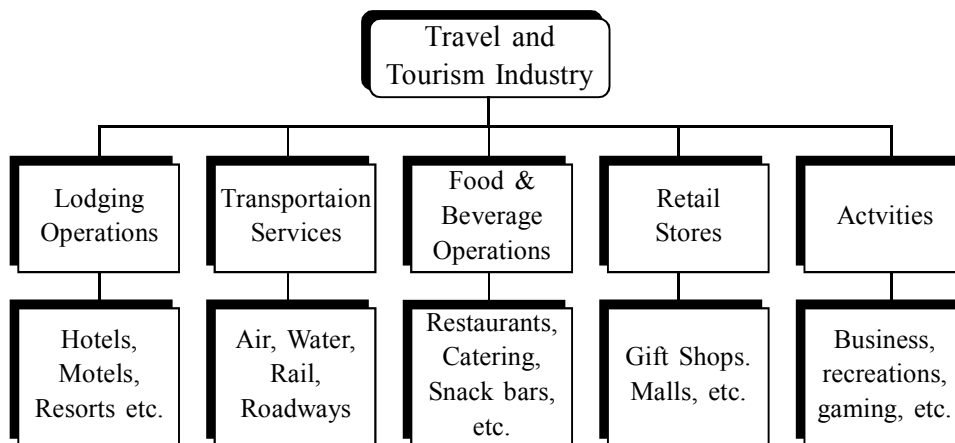
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**1.1 INTRODUCTION :**

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The hotel or the hospitality industry is a part of a more significant umbrella industry called the tourism industry. The tourism industry is a vast industry consisting of various services and products whose common goal is to provide the best of it to the travellers.

Figure 1 divides the travel and tourism industry into five parts and shows some components of each element.



**Fig. 1 : Overview of the Travel and Tourism Industry**

The working knowledge of the different types of hotels is essential and core to the understanding of different kinds of hotels that are prevalent. To make the recognition more comfortable hotels are classified based on SIZE, TARGET MARKET / LOCATION, LEVELS OF SERVICE offered and OWNERSHIP AND AFFILIATION. Throughout the conversation, we will use these different groupings to understand the variety of services that are offered, the facilities provided by these hotels, and what amenities are preferred by the guest.

As a student of hospitality management, this knowledge remains core to the subsequent concepts and sections discussed further in the course. You are expected to know this and only then move forward.

The criteria for hotel classification discussed in the chapter are not rigid. They may change as per market, legal requirements, use of different terminology based on personal preference.

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## 1.2 CLASSIFYING HOTELS :

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**Hotel :** A hotel or inn is defined as "an establishment whose primary business is providing lodging facilities for the general public, and that furnishes one or more of the following services : food and beverage, room attendant (housekeeping), concierge, bell and door attendant, laundry and use of furniture and fixtures." (Kasavana 2017)

There are many ways to classify hotels. The categories discussed in this book are :

- Size
- Target Market
- Levels of Service
- Ownership and Affiliation

### 1.2.1 Size :

The most common method of categorising hotels is as per the size of the hotel, i.e. the number of guest rooms in a property. Hotels are classified in four size categories

- Small Hotels – under 150 rooms (The Oberoi Amarvilas, 102 rooms)
- Medium Hotels – between 150 to 200 rooms (Grand Mercure Vadodara)
- Large Hotels are between 300 and 600 rooms
- Very Large Hotels are more than 600 rooms.

The size categorising helps the hotels compare with each other in terms of facilities and amenities that they provide.

### 1.2.2 Target Markets :

Today the hotel owners, managers cannot satisfy all the customers or at least all the customers in the same manner. The guests today are too many and have a wide range of needs, wants and preferences based on the purpose of their travel. Every hotel company should be able to narrow down the type of guest or groups of guests that they are best suited to serve. According to Kotler et al. (2003), target marketing encompasses three different steps. The first is market segmentation which splits the market into diverse sets and identifies different ways to develop outlines of the resulting market segments. The second step is market directing by evaluating each segment's attractiveness and selecting one or more of the market segments. Furthermore, the last step will be market positioning, which is developing the product's competitive positioning and an appropriate marketing mix.

The process of market segmentation has led to substantial growth, particularly within the hotel companies. The trend is to find a sub-segment of guests within a more significant segment of the market and create unique products and services that satisfy that particular segment. For example, Taj now has many different brand names like TAJ, SeleQtions, Vivanta, Ginger, amā Stays & Trails, amā Stays & Trails. Each kind is directed toward a type of guest, or market segment, that Taj identified as distinct. The advantage of this is that a company can now have multiple hotels at the same location, thereby attracting various kinds of guests.

#### ❖ **Commercial Hotel :**

Commercial hotels tend to be located in downtown or the industrial areas of the city that are convenient for the people who are interested in the business fraternity.

The services and amenities offered by these hotels are tuned toward satisfying the needs of business guests. Typical facilities in a business hotel are :

Complimentary Newspapers	24 HR Coffee Shop
In-room Tea Coffee Making Facility	Multiple Dining Options
Free Local Telephone Calls	Bar & Lounge Services
High-Speed Internet Service	Small Conference Rooms
WiFi	24 Hr. Laundry Valet Services
Ergonomic Desks and Chairs	Concierge Services
Fax Machines	Uniform Services
Car Rental, Airport Pick Up & Drop	Swimming Pools, Health Clubs

#### ❖ **Airport Hotels :**

Travel became very fast due to these aircraft's ability to fly fast, and that propelled rapid economic growth in the United States. Demand for hotels near the airport hit the roof, especially near international airports.

As these hotels are near the airport, they are popular. Further than any other type of hotel, airport hotels diverge broadly in size and level of services. The variety of guests visiting airport hotels are

## **Front Office Management**

- Business guests
- Airline passengers with an overnight layover
- Airline passengers with cancelled flights

### ❖ **Suite Hotels :**

One of the most growing markets of the hotel industry is suite hotels. Suite hotels feature a guest room with a living room and or a parlour area and a separate bedroom. The guest room areas are more significant than in the public space. Suite hotels are designed with privacy and convenience of non-standard hotel accommodations with families in mind also.

Suite hotel has many market segments

- People who are relocating
- Frequent travellers enjoy the comforts of a "home away from home."
- Vacationing family
- Authorities such as accountants, lawyers, and executives find the place attractive as they can work in peace and can entertain their business associates and clients in the area outside the bedroom.

### ❖ **Extended Stay Hotels / Service Apartments :**

Extended stay hotels are similar to the suite hotels, but they have slightly elaborated kitchen amenities in the guest room. Extended stay hotel rooms are designed for those guests who want to stay for more than a week and use less of hotel services. These hotels do not provide food & beverage service, uniform service or valet service. Besides, housekeeping services are not offered daily. Extended stay hotels try to create a home-like atmosphere through their interior and exterior designs. Room rates of these types of hotels are based on the length of the stay of the guest.

### ❖ **Residential Hotels :**

Residential hotels provide long term or permanent accommodation for people in urban or suburban areas. Located primarily in the US and now famous all over the world, these hotels attract people who want and can find the money for daily limited hotel service.

#### **Amenities Provided :**

- Daily Tidying, telephone, front desk, and uniformed services.

### ❖ **Resort Hotel :**

The recreational facilities and breath-taking scenery typical of most resorts are not usual of most other hotels.

#### **Facilities Provided :**

- Great food and beverage, valet and room services for vacationers. Many also provide special recreational activities for guests, such as dancing golf, tennis, horseback riding, nature hikes, sailing, and swimming.

### ❖ **Lifestyle Hotels :**

The Boutique and Lifestyle Lodging Association (BLLA), defines Lifestyle Hotels thus – "Lifestyle hotels are the next generation of boutique hotels. Driven by the chains, they borrow the best elements of boutiques. Small, intimate and modern – and throw in advantages only a chain can offer, like loyalty perks,

consistency and economies of scale. As a result, lifestyle hotels are generally more affordable and accessible than boutiques – and soon to be ubiquitous".

❖ **Bed & Breakfast Hotels :**

The Bed and breakfast hotels range from houses with a few rooms converted to overnight facilities, to small commercial buildings with twenty to thirty guestrooms. The owner of a B&B, the host or the hostess, usually lives on the premises and is typically the property manager. Breakfast service may range from continental breakfast to full course meal.

❖ **Vacation Ownership & Condominium Hotels :**

A timeshare (sometimes called vacation ownership) is defined as an accommodation having a divided form of ownership wherein each owner has access to it at different times of the year.

It is a cheaper alternative to owning a property year-round and paying for the maintenance and is typically located in resort destinations. The concept allows people a second vacation home every year.

❖ **Casino Hotels :**

Hotels with gambling facilities may be categorised as a distinct group. Although the food and beverage service and accommodation service is very luxurious, they are supplementary to gaming operations. Casino hotels attract guests by promoting gaming and headliner entertainment.

❖ **Conference Centres :**

While many hotels provide a meeting space, conference centres are specifically designed to handle group meetings. Most full-service conference centres offer overnight accommodations for meeting attendees. Because meetings are their essential market segment, the conference centres have all the facilities, amenities and infrastructure that make the meeting successful.

Facilities – Internet access via WiFi to all the attendees, technical production assistance, high-quality audio-visual equipment, business service centres, flexible seating arrangements, flip charts and display screens.

❖ **Convention Hotels :**

Convention hotels form an alternative segment of the lodging business that has grown significantly in recent years; demand for the convention market has nearly doubled in the past 20 years. Most commercial hotels have around 600 rooms. Convention hotels can accommodate up to 2000 places or more.

Facilities – 50000 Sq. Ft. or more of exhibition space, plus ballrooms and an assortment of meeting rooms. Most food and beverage service are of variety from fine-dine to self-service restaurants. A full range of business services is generally available, including teleconferencing, secretarial assistance, language translation, high-speed Internet access and audio-visual equipment.

❑ **Check Your Progress – 1 :**

1. Identification of smaller groups within a target market to develop products and services to satisfy these groups is called :

- |                      |                         |
|----------------------|-------------------------|
| (A) Franchising      | (B) Market segmentation |
| (C) Demand marketing | (D) Supply marketing    |

## Front Office Management

2. Extended-stay hotels offer :
  - (A) several kinds of food and beverage services
  - (B) recreational and exercise facilities
  - (C) conference and meeting rooms
  - (D) limited housekeeping services
3. In \_\_\_\_\_ hotels, the food and beverage services and rooms are supplementary services.
  - (A) airport
  - (B) resort
  - (C) casino
  - (D) conference/convention
4. Multiple ownership that allows cheaper ownership of the accommodation is called :
  - (A) Condominium Hotels
  - (B) Bed & Breakfast Hotels
  - (C) Lifestyle Hotels
  - (D) Resort Hotels
5. \_\_\_\_\_ hotels provide long term or permanent accommodation for people in urban or suburban areas
  - (A) Extended Stay
  - (B) Resort
  - (C) Limited Service
  - (D) Residential
6. Paramount Hotels has 56 rooms. It is qualified as \_\_\_\_\_ hotel (in terms of size)
  - (A) Small
  - (B) Medium
  - (C) Large
  - (D) Very Large
7. Pleasure/Leisure travellers would most likely wish to stay at :
  - (A) Airport hotels
  - (B) Resort hotels
  - (C) Residential hotels
  - (D) Convention hotels
8. Vacationing families prefer \_\_\_\_\_ hotels
  - (A) Resort
  - (B) Suite
  - (C) Suburban
  - (D) Village
9. Airline passengers with overnight layover stay in \_\_\_\_\_ hotels
  - (A) Airport
  - (B) Commercial
  - (C) Casino
  - (D) Bed & Breakfast Hotels
10. Market segmentation divides a market into different \_\_\_\_\_.
  - (A) Sections
  - (B) Castes
  - (C) Age groups
  - (D) Income groups

### 1.2.3 Levels of Service :

Hotels may be classified based on the levels of service they offer to their guests. Levels of service provided by hotels do not reflect the target market, size or type of ownership. Before we discuss different levels of service of the hotel, let us talk about some features related to service.

**The Intangibility of Service** – Products are tangible, and Services are intangible. The intangibility of services is resulting from the fact that you cannot see or touch a service. A service is made and distributed on the spot, and hence it cannot be measured as easily as a tangible product.

**Quality Assurance** – The intangible services that a hotel delivers tend to be less standardised than the tangible objects produced by the manufacturer. A significant challenge faced by the hotel industry is to control the quality of

services delivered. Consistency of services can be achieved by following the quality assurance program of the hotel.

In the service industry, quality assurance is simply a matter of having employees take ownership of following the rules set to comply with the brand requirements. Forced adoption is the fastest way to compliance; however, it is also the quickest route to discontinuance. There should be proper, transparent process and measurable standards to follow at all times.

**Rating Service** – Every country/continent has different popular rating services and has credibility in the market. Rating services that are government-controlled and some are independent services that try to give a clear picture of the quality of the services and products that are provided by the establishment. Some rating service across the world are AAA (American Automobile Association) in America, HRACC (Hotel & Restaurant Approval & Classification Committee) in India, Michelin's The Red Guide in Europe.

It is extremely difficult for a hotel or a restaurant to earn the highest rating. Standards are strict and include consistency of services in the quality of facilities from year to year. For the sake of simplicity, lodging properties can be discussed in terms of four different levels of services – World Class, Upscale, Mid-Market and Economy/Limited Service.

❖ **World Class Service :**

**Target Market** – Hotels are offering world-class service – sometimes called luxury service – target top business executive, entertainments celebrities, high ranking political figures, and wealthy clientele as their primary markets.

❖ **Upscale Service**

Upscale service hotels are frequented by tourist seeking exceptional service and accommodation, but not at the level of world-class hotels.

**Target Market** – The primary client are business executives, high-level industry meeting, attendees, and leisure travellers interested in the extra comforts and amenities of these hotels. In any case, upscale service hotels are generally less expensive than world-class service hotels.

❖ **Mid-Range Service :**

Hotels offering mid-range service, appeal to the largest segment of travellers. Mid-range service is often modest but considered sufficient. Despite having adequate staffing levels, the mid-range hotels do not provide elaborate services, although they may offer uniformed guest services, including room service. Like world-class and upscale hotels, mid-range properties range in size from small to large.

**Target Market** – Guests likely to stay at a mid-range hotel include business people, individual travellers, and families. Rates are lower than in world-class hotels.

❖ **Economy/Limited Service :**

This segment of the hotel industry has seen growth in the recent past. These properties meet the basic needs of the guests by offering clean, comfortable and inexpensive rooms. Economy hotels appeal primarily to budget-minded travellers who seek rooms with minimal amenities (required for a comfortable stay) and avoid unnecessary (and often costly) extra services. Since a large proportion of

the population travels on a limited budget, economy hotels have a potentially large market from which to attract clientele.

Target Market – Families with children, bus tour group, travelling business people, vacationers, retirees, and groups of conventioners.

**❑ Check Your Progress – 2 :**

1. Hotels that employ a relatively high ratio of staff members to guests are likely to provide \_\_\_\_\_ service.
 

(A) economy/limited (B) mid-range  
(C) world-class (D) quality
2. This type of hotel is the least likely to offer uniformed guest services.
 

(A) World-class service hotels (B) First-class service hotels  
(C) Mid-range service hotels (D) Economy/limited-service hotels
3. Service quality levels in hotels is determined by :
 

(A) Independent rating services. (B) Increase service variability.  
(C) Consistent service delivery. (D) the variety of amenities offered
4. Rates of \_\_\_\_\_ service hotels are less than upscale service hotels
 

(A) Economy/limited (B) mid-range  
(C) world-class (D) quality
5. \_\_\_\_\_ service hotels are the most growing segment of the market
 

(A) Economy/limited (B) mid-range  
(C) world-class (D) quality

**1.2.4 Ownership and Affiliation :**

Ownership and affiliation provide another means of classifying hotel property.

- Independent Hotels
- Chain Hotels

**❖ Independent Hotels :**

Independent hotels have no identifiable ownership or management affiliation with other properties. In other words, independent hotels have no relationship to other hotels regarding policies, procedures, marketing, or financial obligations.

<b>Advantages</b>	<b>Disadvantages</b>
1. It is an autonomous body. Does not have to adhere to any particular image. 2. Can offer any level of service or facilities that may deem fit for the owner.	1. May not enjoy the broad advertising exposure 2. Does not have a team of management insight 3. Is unable to take the volume purchasing power of a chain hotel

**Example :** The Imperial Hotel, New Delhi

**❖ Chain Hotel :**

Chain ownership may typically impose specific minimum standards, rules, policies, and procedures on individual affiliated hotels to restrict affiliate activities. Generally, the more centralised a chain organisation, the stronger the control over an individual hotel.



**Example :** IHCL Ltd (Taj Hotels), Oberoi Hotels etc.

**Management Contract** – Management companies are organisations that operate properties owned by other entities. The owners of the hotels are usually individual businessmen, corporate companies and partnerships to large insurance companies. In this type of contract, the owner or developer often retains the financial and legal responsibility for the property. The contract term is somewhere between 3–year term to the 10–year term.

The responsibilities of a management company are :

- Operating all departments, like maintenance, housekeeping and the front desk.
- Employing, training, managing and terminating employees.
- Compensating employees, vendors and suppliers.
- Managing revenues, including raising or upholding revenues per available room (RevPAR).
- Managing operational and capital costs. Operational expenses include orders to wholesalers and traders. Capital expenditure includes the purchase of furniture and fixtures.
- Reporting financial information.

**Franchise groups** – a model of business structure that relies on a relationship in which an owner (franchisor) of business has licensed others (franchisees) to use a business system and trade name to market and sell products/ services. (Khan, 2001)

**Franchisor** – The franchisor is the initial owner of a business system which has been developed and proved successful at operating a particular business.

**Franchisee** – The franchisee is the party that has agreed with the franchisor to use the trademark/business name and business system in a defined outlet or territory.

**Top Franchise Brands** – Intercontinental Hotels Group, Mint Hotels, Treebo Hotels.

**Referral Groups** – Referral groups sometimes also called as membership groups consist of independent hotels that have banded together for some common purpose.

**Top Referral Groups** – The Leading Hotels of the World, Preferred Hotels and Resorts Worldwide.

**☐ Check Your Progress – 3 :**

1. The owner/manager of the Jindal Vilas has a great deal of flexibility in responding to changes in local market situations but cannot afford broad promotion exposure and pays fairly high prices for supplies. Jindal Vilas is probably a(n) \_\_\_\_\_ property.
 

(A) chain property	(B) franchisee
(C) corporate	(D) independent
2. A group of promoters plan to develop a conference centre on the borders of a city. Financing opportunities depend on assuring the bank that professional staff will operate the property. If none of the investors has a hospitality management background, which option would you recommend ?

- (A) Forming a hotel chain
  - (B) Contracting with a management company
  - (C) Joining a referral group
  - (D) Becoming an independent property
3. Which of the following hotels would most likely appeal to pleasure/leisure travellers ?
- (A) Airport hotels
  - (B) Resort hotels
  - (C) Residential hotels
  - (D) Convention hotels

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### **1.3 LET US SUM UP :**

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The lodging industry is a part of the more extensive travel and tourism industry. One of the world's largest enterprises, the travel and tourism industry is composed of a large group of businesses oriented towards providing necessary services to the travellers. This industry can be segmented into five – lodging, transportation, food and beverage, retail and travel related. The classification of lodging operations consists of hotels – all–suite, lifestyle, upscale, convention, motels, inns and other lodging establishments. While the distinction between these property types is not always clear, properties can be grouped by size, target market, level of service and ownership and affiliation.

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### **1.4 ANSWERS FOR CHECK YOUR PROGRESS :**

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**Check Your Progress 1 :**

1. (B), 2. (D), 3. (C), 4. (A), 5. (D), 6. (A), 7. (B), 8. (A), 9. (A), 10. (D)

**Check Your Progress 2 :**

1. (C), 2. (D), 3. (C), 4. (B), 5. (A)

**Check Your Progress 3 :**

1. (D), 2. (D), 3. (B)

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### **1.5 GLOSSARY :**

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**Chain Hotel** – A hotel owned by or affiliated with other properties.

**Economy / Limited Service** – a level of service emphasising clean, comfortable, inexpensive rooms that meet the most basic needs of the guest. Economy or limited–service hotel appeal primarily to budget–minded travellers.

**Franchising** – A method of distribution whereby one entity that has developed a particular pattern or format for doing business (franchisor) grants to other entities (franchisees) the right to conduct such a business provided they follow the established pattern.

**Hotel** – A hotel may be defined as an establishment that provides paid lodging on a short–term basis. Facilities provided may range from modest–quality mattresses in a small room to large suites with larger, higher–quality beds, a dresser, refrigerator and other kitchen facilities, upholstered chairs, flat–screen television, and en–suite bathrooms.

**Independent Hotel** – A hotel with no ownership or management affiliation with other properties.

**Management Contract** – An agreement between the owner/developer of the property and a professional hotel management company. The owner/developer usually retains financial and legal responsibility, and the management company receives an agreed-upon fee for operating the hotel.

**Market Segmentation** – The practice of defining or identifying smaller, distinct groups or segments within a broader market.

**Mid-Range Service** – A modest but sufficient level of service that appeals to the largest segment of the travelling public. A mid-range hotel may offer uniformed service, airport van service, and food and beverage service; a speciality restaurant, coffee shop, and lounge; and special rates for individual guests.

**Quality Assurance** – An approach to ensuring the consistent delivery of services.

**Referral Group** – A group of independent hospitality companies that have banded together for their common good. Hotels within-group refers departing guest or those guests they cannot accommodate to other properties in the referral group.

**Target Market** – Distinctly defined groupings of potential buyers at which sellers aim or "target" their marketing efforts.

**Travel Management Company** – A large travel agency with significant room rate negotiating power

## **1.6 ASSIGNMENT :**

Identify a hotel chain, including its sub-brands and write a report on its target markets and levels of service. The report should have :

- Summary of your findings
- Introduction to the brands
- Creating sub-brands and different types of hotels based on target market and levels of service
- Conclusion (your learning)

## **1.7 ACTIVITY :**

**Interview a general manager to discuss :**

- Lodging industry trends
- Independent vs chain affiliation
- How the property positions itself in the local market
- Markets the property attempts to attract
- Markets the property attracts
- General marketing strategies the property uses

## **1.8 CASE STUDY :**

Ms Emily Linsky is the owner of a chain of record stores called Hot Tracks. She is also president of the regional record store owners' trade association and responsible for planning and organising the group's annual meeting. Although Ms Linsky reports that business has been strong throughout her seven-store chain,

## Front Office Management

she believes that aligning with a major national company may be wise. After all, she reasons, she can have access to more inventory and better record industry information by being part of a larger company.

Ms Linsky had contacted a significant record company executive and has begun discussions relative to merging her stores with the company's sixty-one units. She has invited the CEO, Mr Gregory, to spend two days visiting her shops and reviewing her accounting records. She hopes to persuade Mr Gregory that her stores would fit well with the corporation's current chain of outlets.

Given the fact that business has been so successful for the seven Hot Tracks stores, Ms Linsky is planning a three-day retreat for all her store managers. She perceives the withdrawal both as a reward for a job well done and as a format for planning next season's marketing campaigns.

Ms Linsky, as president of the Regional Record Store Owners Association, is ready to begin planning the four-day regional meeting schedule. She is aware that there may be as many as 200 attendees and that the annual awards dinner could have as many as 500 guests and media.

With all these events about to happen, Ms Linsky contacts two area hotels. She asks them to send her information on their facilities and services. A brief description of each lodging property follows :

- **Straighter Hotel** : a 280-room independently owned and operated luxury hotel located in the centre of the business district. Tall office buildings and the city's most elegant shopping mall surround the hotel. The hotel offers five-star service and has a variety of meeting rooms, banquet facilities, a formal dining room, 24-hour room service, nightly live entertainment, an indoor/outdoor swimming facility, and a spacious, fully equipped exercise gymnasium. The Straighter Hotel features concierge service and provides complimentary limousine service between the hotel and the airport.
- **Lamplighter Inn** : a member of Lamplighter Inns, a national chain of suite hotels. Each of the inn's 100 rooms has a bedroom, small kitchenette, and living room area. Also, each unit features Lamplighter's grand wood-burning fireplace and an in-room vending system. The Lamplighter Inn is located about ten miles from downtown in a quiet suburban area near an assortment of boutiques, movie theatres, and restaurants. The inn is next to a large convention centre with a spacious cafeteria. Foodservice at the inn, however, is somewhat restricted to complimentary breakfast service, buffet lunch, and a limited dinner menu. The inn does not offer room service. Each evening, the inn invites all guests to a complimentary social hour featuring an assortment of beverages and snacks. Although the inn has only four meeting rooms, each can accommodate ten people. The inn also boasts a small circular outdoor pool and provides guests with a map of local jogging trails.

### ❖ Discussion Questions :

1. Identify and list the needs and expectations that Ms Linsky and her groups may have concerning hotel accommodations.
2. What additional information do you believe Ms Linsky should secure from each of the hotels before determining where each group should be accommodated ?

3. Identify the facilities and services that representatives from each hotel might stress when attempting to convince Ms Linsky that their hotel can meet the needs of all three groups.

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**1.9 FURTHER READING :**

---

1. Managing Front Office Operations – 10e – Michael Kasavana
2. Professional Front Office Management – 2e – Robert H Woods, Jack Ninemeier, David Hayes & Michele A. Austin



**UNIT STRUCTURE**

- 2.0 Learning Objectives
- 2.1 Introduction
- 2.2 Role of Front Office
- 2.3 Marketing and Sales Department
- 2.4 Housekeeping Department
- 2.5 Food and Beverage Department
- 2.6 Banquet Department
- 2.7 Accounts
- 2.8 Maintenance or Engineering Department
- 2.9 Security Department
- 2.10 Human Resources Management Department
- 2.11 Role of Total Quality Management In Effective Communication
- Check Your Progress 1
- 2.12 Let Us Sum Up
- 2.13 Answers For Check Your Progress
- 2.14 Glossary
- 2.15 Assignment
- 2.16 Activity
- 2.17 Case Study
- 2.18 Further Reading

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**2.0 LEARNING OBJECTIVES :**

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This unit discusses the need and importance of coordination and communication between the front office and other departments. After completing this unit, you will be able to :

- Explain the need and importance of interdepartmental and intradepartmental coordination and communication.
- List the reasons for communication between the front office and various other departments.
- Relate the importance of TQM in communication.

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**2.1 INTRODUCTION :**

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This unit explains the interdepartmental communications that must be maintained in a hotel. Notably, it focuses on how the front office relates to employees in all departments – housekeeping, marketing and sales, food and beverage, banquets, finance, human resources, maintenance and security. Guest needs are best met when employees come together to provide hotel services. The

front office manager must objectively view any communication keeping guests needs in mind and operational policies and procedures.

The front office department's role in delivering hospitality to guests is pivotal as it sets the stage for a pleasant or an unpleasant stay. Guests often want to proceed with their business or vacation plans and wish to learn all about their new environment. Requests for information usually begin with the concierge bellhop, telephone operator or front desk attendant since they are the most visible. They are perceived to be knowledgeable and have their finger on the pulse of the hotel and its surroundings. How they respond to guests' requests for information on public transportation, location of hotel facilities, special events in the city etc. indicate how well the hotel has prepared them for this vital role. Front office duty managers must take an active part in gathering information that will be of interest to guests.

Front Office Manager must also be involved in developing procedures and processes for the front office to disburse this information. The relationships the front office manager and the duty manager develop with the other department heads, and employees are vital in gathering information for guests. One way is to develop positive personal relationships, although this alone may not be enough to ensure accurate information is relayed. So how does the front office manager encourage effective interdepartmental communication (communication between departments) ? We discuss this as well as intradepartmental communication (communication inside a department).

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## **2.2 ROLE OF FRONT OFFICE :**

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The front office is at the centre of the information network and coordinates with the many interdepartmental lines of communication that exist. These lines are based on the kind of hospitality each department offers to guests. These include clean rooms, properly operating equipment, safety, well-prepared food and beverages, efficient service and accurate accounting of guest charges. These general objectives help department heads organise their operations and meet the overall goal of delivering professional hospitality. Though, constant effort is required to manage the details of employees, materials, procedures and communication skills to produce the right products and services. The front office staff interact with all departments of the hotel, including marketing and sales, housekeeping, food and beverage, banquet, finance, maintenance, security, and human resources. For these departments, the front office is a communication liaison in providing guest services. Each department has a unique communication link with the front office staff. The front office, in turn, always becomes the face of hospitality for guests. Guests usually approach the front office staff for the services of other departments. The front office team must know and direct guest inquiries to relevant staff in other departments. They learn this through training programs on in-house policy and procedures.

Let us look at how the front office coordinates with other departments and how these impact efficiencies.

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## **2.3 MARKETING AND SALES DEPARTMENT :**

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The marketing and sales department gets data on guest histories and visits from the front office. Such information is based on the frequency of visits, corporate affiliation and special needs. It is also the front office department's job to make an excellent first impression on every single person entering the hotel,

## **Front Office Management**

including relaying messages and meeting guest requests of those attending meetings and banquets. Guest history is considered a valuable resource for marketing and sales. Information obtained from guest registration (details on the registration card filled by the guest during check-in) is used to develop marketing campaigns, promotions, mailing lists and selection of advertising media. The front office staff is responsible for keeping this database accurate and updated. Completing the booking of a function (such as a wedding reception, convention or seminar) depends on the availability of rooms. The marketing and sales staff may have to check the lists of available rooms three or six months, or even a year in the future to be sure that the hotel is in a position to accommodate the expected number of guests. The front office maintains a database of available rooms in the property management system.

Usually the first guest contact with the marketing and sales department is through the hotel's telephone operator. A competent operator who is friendly and knowledgeable about hotel operations and personnel makes an excellent first impression by conveying to the prospective client that the hotel is competent and efficient in its operations. When guests finally arrive for the function, the first contact is usually through the front office staff. The front office associate who determines which banquet supervisor is in charge and communicates that information to that guest demonstrates to all that the hotel is dedicated to providing hospitality. Messages for the marketing and sales staff must be conveyed accurately, and quickly as these could (and mostly are) related to new business ties and corporate contracts. The telephone operator and the front desk associate is a vital link in the communication between the prospective client and a salesperson in the marketing and sales department.

The duty manager should instruct new front office personnel about the marketing and sales staff their roles.

Front office employees should know the names of all marketing and sales employees. Requests for service at conferences and banquets are often made at the front office. The banquet manager or a banquet sales associate responsible for guest requirements might be busy with another function. If a guest needs a specific equipment such as an extension cord or if an electrical outlet malfunctions, the front desk staff must be ready to cater to guest requests. Standard operating procedures are established by the front office manager for staff to contact related departments to meet common demands. Knowing where to find materials and services will aid speedy redressal of guest requests and save the time involved in tracking down the banquet sales or service in-charge.

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### **2.4 HOUSEKEEPING DEPARTMENT :**

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Housekeeping and the front office communicate about room status and report on the availability of guestrooms for occupancy. Housekeeping communicates room status using the following terms :

- Available Clean or Ready – room is available to be occupied
- Occupied – when guest(s) occupy a room
- Stay over – guest would not be checking out from a room on the current day
- Dirty or On-Change – guest has checked out, but housekeeping is yet to release the room



- Out-of-Order – the room is unavailable due to a mechanical malfunction

Housekeeping and front office also communicate on the house count (a report of the total number of guests residing in the hotel), any security concerns and requests for amenities such as personal toiletry or electrical equipment. Room status is reported directly (face-to-face) in a hotel that does not use a Property Management System (PMS). The regular visits of the housekeeper to the front desk clerk are a familiar scene in such hotels. Room status is reported at the end of the day using a discrepancy report by the housekeeper, listing the occupancy status as vacant, occupied, or out of order. Occasionally when guests may be anxiously waiting to occupy a room, the front desk attendant telephones the floor supervisor to determine the time taken to finish servicing the room.

The housekeeper relies on the room sales forecast – a weekly report prepared and distributed by the front office manager that indicates the number of departures, arrivals, walk-in, no-shows and stayovers – to schedule employees. Timely projection of room sales assists the housekeeper in planning employee leaves and vacation days. The housekeeping personnel also reports unusual circumstances that may indicate a violation of security for the guests. Suppose a room attendant notices non-registered guests on a floor, suspicious activity, an open fire exit, or signs of disturbance within a guest room, he or she must report these to the front desk. They, in turn, relay the information to an in-house or civil authority. The front office manager may direct front desk attendants and telephone operators to call floor supervisors for a periodic check on the guest floor activities. Guest may request for additional or special amenities and guest room supplies at the front desk. The prompt relay of these requests to housekeeping is essential to ensure efficient service.

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## **2.5 FOOD AND BEVERAGE DEPARTMENT :**

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Food and beverage department and the front office communicate regularly. Charge transfers, which are forms used to communicate a charge to a guest's account, are used to relay messages and provide accurate information. Communication activities also include reporting predicted house counts, a forecast of the number of guests expected to check-in based on previous occupancy activities and processing requests for paid-outs (forms used to indicate the amounts of money paid out of the cashier's drawer on behalf of a guest or an employee of the hotel). These vital services help an overworked food and beverage manager, restaurant manager, or banquet captain meet the demands of the public. Incoming messages for the food and beverage manager and executive chef from vendors and other industry representatives are essential to the business operation of the food and beverage department. Suppose the telephone operator is given instructions on screening callers (such as times when the executive chef cannot be disturbed because of a busy workload, or vendors in whom the chef is not interested). In such cases, important messages can receive priority. In hotels with Point-of-Sale (POS) terminals (computerised cash registers that interface with a property management system), guest charges are automatically posted to a guest folio (record of charges and payments).

When a hotel does not have POS terminals, the desk attendant posts accurate charges on the guest folio and relies on transfer slips. The night auditor's job is made easy if the transfer slip is accurately prepared and posted. The front office manager should work with the food and beverage director in developing standard operating procedures and methods to complete the transfer of charges.

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The supervisors in the food and beverage department rely on the predicted house count prepared by the front office manager to schedule employees and forecast sales. For example, a restaurant supervisor working the breakfast shift may want to know how many guests will be in the hotel to schedule a certain number of servers for breakfast service. Timely and accurate communication helps in staffing control and sales predictions. Authorised members of the food and beverage department occasionally ask the front office for cash, in the form of a paid-out, to purchase last-minute items for a banquet, the lounge or the restaurant or to take advantage of unexpected opportunities to promote hospitality. Specific guidelines concerning cash limits, turnaround time, prior approval, authorised signatures, and purchase receipts are developed by the general manager and front office manager. These guidelines help maintain control of paid outs.

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### **2.6 BANQUET DEPARTMENT :**

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The banquet department, which often combines the functions of a marketing and sales department and a food and beverage department, requires the front office to relay information to guests about scheduled events and bill payment. The front office staff prepares the daily announcement board listing the day's activities (group, room/hall, time). This message board usually includes the logo of the hotel and has space for event listings. It is placed at a visible location near the entrance so that banquet guests (who may not be registered guests in the hotel) and employees, get relevant information at a glance. The front office is a logical communications centre. The preparation of the board may include congratulatory, welcome, sales promotion, or other important messages. Sometimes, the marketing and sales department prepares the messages for the message board. A banquet guest unfamiliar with the hotel will ask for directions at the front office. This service might seem minor in the overall scheme of things, but it is essential to the lost or confused guest. The front office staff must not only know directions to a meeting room, but also which event is being held in which room. Front desk attendants must be able to provide information for all departmental activities in the hotel. The person responsible for paying the bills for a special event may also end up in the front office for settlement. Suppose the banquet captain is not available to present the bill for the function personally. In that case, the front desk attendant should be informed about the specifics of food and beverage charges, rental charges, method of payment, and the like.

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### **2.7 ACCOUNTS :**

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The cost-controller/auditor (a position in the accounts department) relies on the front office staff to provide a daily summary of financial transactions in the form of a night audit report. This report also helps measure the management's ability to meet budgetary targets. Because the front office provides the controller with financial data for billing and maintenance of credit card and city ledgers, these two departments must relay payments and charges through the property management system. The information generated by the front office department is the first step in the guest accounting process. Without accurate daily entry by desk attendants and generation of a night audit, the controller would be unable to generate reports for the owners, general manager and supervisors. Although this communication is in the form of reports, the front office and controller often communicate orally. They share a common concern for guest hospitality, and when finances are concerned, an oral discussion is inevitable.

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## **2.8 MAINTENANCE OR ENGINEERING DEPARTMENT :**

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The front office communicates room status and requests for maintenance service to the maintenance or engineering department. This helps maintenance employees know the occupancy status of a room before attending to plumbing, heating, or air-conditioning problems. If a room is reserved, the two departments work out a period so the guest can enter the room on arrival or be assigned an alternate room. Department staff must communicate with each other to provide guest services seamlessly. Guests request the desk attendants/telephone operators for the repair of HVAC (heating, ventilating, and air-conditioning) units, plumbing, televisions, and other room furnishings, who then relay them to the maintenance department. The front desk attendant must keep track of the repair schedule, as guests would want to know when the repair would be made.

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## **2.9 SECURITY DEPARTMENT :**

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Communications between the security and the front office are essential in ensuring guests are safe and secure. The cooperation of these departments are needed for fire safety measures and emergency communication systems, as well as procedures for routine investigation of guest security concerns. Because of the recent series of unfortunate events, the nature of the security hotels offers their guests has changed. Front office staff must be on alert for people who do not belong in the lobby and report inconsistencies to the security department. Doing so would be seen as being supportive of security.

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## **2.10 HUMAN RESOURCES MANAGEMENT DEPARTMENT :**

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The front office staff may act as an initial point of contact for potential employees. Human resources may sometimes ask the front office to screen job candidates. In such cases, guidelines for and training in screening methods must be provided. Guidelines to screen candidates include those on personal hygiene, completion of an application, educational requirements, experience and citizenship status. Front office sometimes distributes application forms and other personnel-related information to job applicants. A potential employee may seek directions to the human resources office at the front desk.

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## **2.11 ROLE OF TOTAL QUALITY MANAGEMENT IN EFFECTIVE COMMUNICATION :**

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Total quality management (TQM) is a management technique that encourages managers to observe processes used to deliver products and services critically. In this technique, managers encourage frontline employees and supervisors to question each step in the process of providing hospitality to guests. Examples : "Why do guests complain about having to wait during check out ?" "Why do guests complain that our table service is below par ?" "Why do guests get annoyed when their rooms aren't ready on check-in ?" Managers and employees together seek answers to these questions. TQM was developed by W. Edwards Deming, a management theorist, in the early 1950s to help American manufacturers improve the quality of their products by reducing defects through worker participation in the planning process. The American manufacturers were reluctant to embrace it at first, but the Japanese were quick to adopt this technique to manufacture automobiles. Deming gave managers tools such as flowcharts to analyse production by dividing the manufacturing process into components and

## Front Office Management

then focusing on the segments of processes that produce the product. TQM's relevance to the hotel industry was in the context of the interaction between frontline employees and their supervisors. When employees in a group setting or on a one-on-one basis interacted to determine the root cause of a problem, it ushered an atmosphere of cooperation which resulted in the achievement of desired results. First-shift and second-shift employees, who usually did not understand each other's activities, found they did have shared concerns about serving the guest. Housekeeping and front desk employees came to realise that a guest's request for a late checkout plays havoc with the delivery of hospitality. Total quality management practices thus ensure that the front office checks with housekeeping to determine room availability in such a situation. Interdepartmental communication improves every time a team of employees from different departments meet to analyse a challenge to the delivery of a product or service. While a guest is checking out, she indicates a dripping faucet in that room. After the guest departs, the desk attendant brushes off her remark, saying to a fellow desk attendant that there were so many dripping faucets in this hotel that one more wouldn't change anything. Assuming you are the manager and heard this comment, what would you do ?

### ❖ An Example of Total Quality Management in a Hotel :

Suppose the general manager has received numerous complaints about the messy appearance of the lobby—furniture and cushions are out of place, ashtrays and trash receptacles are overflowing and flowers are wilted. The front office manager organises a total quality management team, consisting of a front desk attendant, a housekeeping attendant, a waiter, a cashier and the director of marketing and sales. The team discuss how the lobby area could be better maintained. The housekeeping attendant says his colleagues are overworked and are allotted only 15 minutes to clean up the public areas on the day shift. The front desk attendant says he would often like to take a few minutes to go out to the lobby to straighten the furniture and pillows, but he is not allowed to leave the front desk unattended. The director of marketing and sales shares her embarrassment when a prospective client is greeted with such a mess. She has requested housekeeping several times to have the lobby cleaned but is told, "It's not in the budget to have the lobby cleaned six times a day." All team members realise that the untidy lobby does create a poor impression about the hotel, and that the situation should be remedied. The team decides to look at the multiple elements in the case. The furniture is on castors for ease of moving when the housekeeping staff cleans.

The cushions add a decorative touch to the environment, but they are usually scattered around. The server jokingly says, "Let's sew them to the back and arms of the seats!" Could the ashtrays be removed, and receptacles added for guests to extinguish a cigarette ? Would a larger waste receptacle with a swinging lid be better to avoid misplaced litter ? "The fresh flowers are great," adds one of the team members, "but many hotels use silk flowers and plants. This could save money over a period of time." The team discussion encourages each staff member to understand why the housekeeping attendant cannot straighten the lobby every two or three hours and why the desk attendant cannot leave his desk to take care of the problem. The staff comments concerning furniture and appointments foster an atmosphere of understanding. Team members start empathising with one another and are slower to criticise. Was the issue of the messy lobby resolved ? Yes, but more importantly, the team members developed

a way to look at a challenge in a more constructive manner. Upon initial review, the problem seems to be that all employees should be encouraged to assist guests in an emergency. However, in this case, the desk attendant has a perception problem about his job. This short-sightedness probably results from inadequate training, a lack of opportunities for employees from various departments to exchange ideas and socialise, and an atmosphere for employee motivation. The front office manager should discuss the situation with the convention representative and emphasize the benefits of total quality management. Supervisors must concentrate on the guests' needs and foster employee growth and development so their employees will likewise focus on guests' needs. These concepts are at the heart of effective interdepartmental communications.

❑ **Check Your Progress – 1 :**

1. The front office is the centre of \_\_\_\_\_.  
(A) guest interaction (B) information network  
(C) attraction (D) all of the above
2. The marketing and sales department relies on the front office to provide  
(A) Rooms for a show-around (B) Information on rooms  
(C) data on guest histories (D) all of the above.
3. Room status in which guest will not be checking out of a room on the current day is called  
(A) stayover (B) occupied (C) back to back (D) vacant
4. This report lists the guest room occupancy status as vacant, occupied, or out of order and is prepared by the housekeeper.  
(A) Out of order report (B) Maintenance report  
(C) Discrepancy report (D) Arrival report
5. The Food and Beverage department requires \_\_\_\_\_ and \_\_\_\_\_ of guests.  
(A) estimation; count (B) age; sex  
(C) preferences; count (D) time; number
6. The banquet department, which often combines the functions of a marketing and sales department and a food and beverage department, requires the front office to relay information to guests about \_\_\_\_\_.  
(A) venue of event (B) size of the banquet hall  
(C) rate of the banquet hall (D) scheduled events and bill payment
7. Housekeeping and the front office communicate about \_\_\_\_\_.  
(A) guest preferences (B) room status  
(C) room cleaning (D) all of the above
8. The accounts department relies on the front office staff to provide a daily \_\_\_\_\_.  
(A) arrival report (B) C form report  
(C) night audit report (D) occupancy report

9. \_\_\_\_\_ is a management technique that encourages managers to critically look at processes used to deliver products and services.
- (A) Appraisal  
(B) Guest management  
(C) Total quality management (TQM)  
(D) Kaizen
10. Human resource department makes \_\_\_\_\_ for front desk staff for selection and recruitment purpose.
- (A) Job description (B) Job placement  
(C) Guidelines (D) All of the above

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### 2.12 LET US SUM UP :

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**In this unit, we :**

- Stated the need and importance of interdepartmental and intradepartmental coordination and communication.
- Explained the reasons for communication between the front office and various other departments
- Pointed out the Importance of TQM in communication

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### 2.13 ANSWERS FOR CHECK YOUR PROGRESS :

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1. (A), 2. (A), 3. (A), 4. (C), 5. (A), 6. (D), 7. (B), 8. (C), 9. (C), 10. (C)

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### 2.14 GLOSSARY :

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**Front Office** – The front office is also known as the face of the hotel. It is the first guest contact area and the nerve centre of the hotel.

**Marketing** – the action or business of promoting and selling products or services, including market research and advertising

**Corporate** – The definition of corporate is something related to a business group or a business that operates as a single legal unit

**Database** – A database is a collection of information that is organised so that it can be easily accessed, managed and updated

**Duty Manager** – A manager authorised to take managerial decisions in the absence of the General Manager.

**House** –

**Banquet** – A banquet is a formal large meal or feast, often involving main courses and desserts

**Auditor** – An auditor is a person, or a firm appointed by a company to execute an audit

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### 2.15 ASSIGNMENT :

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1. Give some examples of how the marketing and sales department and the front office communicate.
2. Communications between the front office and the housekeeping department revolve around room status. How can each department director ensure that these communications are effective ?

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### **2.16 ACTIVITY :**

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Visit a hotel and find out the different types of equipment that are used for communication. Make a list of the same and compare them based on the following :

1. Speed of communication
2. Accuracy in effective communication.

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### **2.17 CASE STUDY :**

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Situation : Marketing and Sales Knows It All – But Didn't Tell Us Mr and Mrs Shipping Tycoon are hosting a private party for 200 people in the Grand Ball Room of Downtown Plaza Hotel. On arriving at the hotel, they approach the front desk and ask if Mr Martin, the director of marketing and sales, is available. The desk attendant checks the duty board and sees that Mr Martin has left for the day. He responds, "Sorry, he's left for the day. What are you here for anyway ?" The Tycoons immediately feel neglected and ask to see the manager on duty. Mr Boris, the assistant general manager, arrives on the scene and asks what he can do for the Tycoons. Mr Tycoon has several concerns : Who will be in charge of their party ? Will their two favourite servers be serving the cocktails, appetisers and dinner ? Have the flowers that were flown in from Netherlands arrived ? Mr Boris says, "Gee, you'll have to speak with Andy, our banquet captain. He knows everything." When Andy arrives, he tells the Tycoons that Mr Martin left no instructions about who will be serving the party, and he has not seen any tulips in the walk-in. Mrs Tycoon declares her party will be a disaster. Mr Tycoon decides to proceed with the party and take up the lack of professional service later. Mr Tycoon has complained to the general manager and I. M. Owner—the owner of Downtown Plaza Hotel—and both are upset about the situation. Mr Tycoon and I. M. Owner are co-investors in a construction project. Even if the two men were not business associates, the treatment of any guest in such a shabby way spells disaster for future convention and banquet sales.

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### **2.18 FURTHER READING :**

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1. Managing Front Office Operations – 10e – Michael L. Kasavana
2. Professional Front Office Management – 2e – Robert H. Woods et al



**UNIT STRUCTURE**

- 3.0 Learning Objective
- 3.1 Introduction
- 3.2 Front Office Functions
- 3.3 Sections and Layout of Front Office
  - 3.3.1 Reservations Department
  - 3.3.2 Reception Department
  - 3.3.3 Concierge
  - 3.3.4 Cashier
  - 3.3.5 Travel Desk
  - 3.3.6 Bell Desk
  - 3.3.7 Communication Desk / Telephone Operator
- Check Your Progress 1
- 3.4 Organisation of Staff
- 3.5 Duties and Responsibilities of Some Front Office Staff
  - 3.5.1 Front Office Manager
  - 3.5.2 Reservation Manager
  - 3.5.3 Receptionist
  - 3.5.4 Cashier
  - 3.5.5 Telephone Operator
  - 3.5.6 Bell Boy
- 3.6 Attributes of Front Office Personnel
- Check Your Progress 2
- 3.7 Let Us Sum Up
- 3.8 Answers For Check Your Progress
- 3.9 Glossary
- 3.10 Assignment
- 3.11 Activities
- 3.12 Case Study
- 3.13 Further Reading

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**3.0 LEARNING OBJECTIVES :**

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- List the various sub-departments and sections of front office department
- Identify the parts and layout of the front office
- Illustrate the organisation of front office staff



- Illustrate the duties of front-office employees
- Describe qualities of front office personnel

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### **3.1 INTRODUCTION :**

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Front Office is the interface between a hotel and its guests. On arrival at a hotel first, meet the front office staff and develop an impression about the level of services, standard, facilities, and hospitality of the hotel. The guest interacts with the front office staff throughout the stay for all kinds of information and to avail different services of the hotel. The front office staff is responsible for reservation, check-in of the guest, room and escorting guest on arrival and maintaining a high level of guest service and professionalism.

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### **3.2 FRONT OFFICE FUNCTIONS :**

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Front Office is the communication point between the guest, management and other departments. It handles guest complaints, dispatches housekeeping and engineering requests, prints and files reports, receives and answers phone calls. Thus, the front office staffs do the following functions.

- Sell hotel rooms and upsell other services of the hotel.
- Record bookings of the hotel rooms received from various distribution channels
- Welcome guest on arrival. Perform the process of registration, assign rooms to the guest. Escort the guest to the room and explain the various services of the hotel. Do the room orientation and make the guest comfort in the room.
- Preserve accurate room status information.
- Maintain guest account and monitor credit.
- Handle guests demand and complaints
- Prepare account statements of the guest.

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### **3.3 SECTIONS AND LAYOUT OF FRONT OFFICE :**

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For the smooth functioning of a section, it is essential to divide into sections and delegate tasks accordingly.

The hotel lobby is the furnished front area of the hotel where guests can wait before going to the hotel, and visitors can meet the guest. Located next to the entrance is the first and last point of contact for the guest. A beautiful and well-designed lobby creates a great first impression of the overall standards of the hotel. Hotels spend a great deal of money, creating an aesthetically appealing lobby. The lobby is part of the front office department.

#### **3.3.1 Reservations Department :**

While planning corporate or leisure trips, people like to ensure that they have safe and comfortable accommodation at their destinations. It is possible by reserving the room in advance. Functions of the Reservation section are

- Receiving reservation requests through different modes like telephone, fax, email, websites, sales representatives, or central reservations department.
- Recording the reservation information from all sources on PMS (Property Management Software).

## **Front Office Management**

- Depending upon the availability of wanted room type and expected sales during and around the requested stay dates, the booking request may be confirmed, waitlisted, or denied.
- Preparing reservation reports for the management.
- Upselling room and other services of the hotel.
- Maintaining and updating reservation accounts to reflect correct information about room status.

### **3.3.2 Reception Department :**

The reception section of the front office receives guests on their arrival in the hotel. It is a team that is led by a supervisor and comprises of desk attendants. They record all necessary information about guests as part of the registration process. After registration, the guests are taken to their rooms. The bell attendants assist with guest luggage and place them in guestrooms.

Functions of the reception include

- Receiving and welcoming guests.
- Completing registration formalities.
- Assigning rooms.
- Informing departments by sending arrival notification slips.

### **3.3.3 Concierge :**

A concierge mans concierge desk. He is traditionally the keeper of keys from the olden times. It is also considered one of the prestigious jobs in the hotel industry if you have the "Les Clefs d'Or" or the Golden Keys concierge title.

#### **❖ Functions of Concierge :**

- Be thorough with the hotel's facilities and services and the vicinity.
- Provide useful information to guests about attractions, facilities, services, and activities in or outside the hotel.
- Make reservations for transportation services.
- Arrange and reserve tickets to local events.
- Oversees operations of the bell desk, valet and doorman. Ensure adequate staffing at the bell desk and entrance.
- Ensure proper storage of left luggage and
- Handling of guest messages

### **3.3.4 Cashier :**

The cashier section records all the monetary transactions of the guest. It upholds guest folios and prepares the guest bill to be settled by the guest at the time of departure.

#### **❖ Functions of Cashier :**

- Maintains house bank and keeps track of all transactions.
- Answers guest queries related to charges on the guest bill.
- Opening and maintaining guest folios.
- Posting room charges in guest folios.
- Recording and posting all credit charges in guest folios.

- Maintaining the record of all the charges.
- Transact
- foreign currency exchange as per rules.
- Process requests by guests to split or merge folio and transfer charges
- Settle guest payments as cash, credit card, debit card, travellers' cheques, travelling allowance voucher and the bill to the company.
- Close guest accounts correctly.

### **3.3.5 Travel Desk :**

The travel desk is responsible for travel arrangements of guest including the booking of air tickets, making reservations on railways, sightseeing tours, pick-up or drop at airport or railway station and so forth. Travel desks may be operated by the hotel directly or maybe outsourced to an external travel agency.

#### **❖ Functions of Travel Desk :**

- Arranging picks up and drops services for guest at the time of their arrival and departure.
- Providing vehicles on request to guests at pre-determined rates.
- Making travel arrangements like railway reservations/cancellations/amendments, or purchasing air tickets for guests.
- Organise sightseeing tours in and around the city.
- Arrange guides who can communicate in the guest's language.

### **3.3.6 Bell Desk :**

The bell desk is located close to the main entrance of the hotel and is a mobile section of the front office since its staff can freely move around the hotel. A Bell Captain usually heads this section and includes bell attendants who run errands for guest

#### **❖ Functions of Bell Desk :**

- Luggage handling at the time of arrival, departure and room change. Additionally, assist guests with shopping bags.
- Escorting guests to their rooms and informing about the different services of the hotel.
- Room orientation of the guest.
- Paging for guests on behalf of their visitors.
- Handling mail and messages of guests and delivering them in person.
- Collection of room keys on departure.
- Newspaper delivery in the morning.
- Errands like getting medicine or other essentials from outside the hotel and delivering FRRO (Foreigners Regional Registration Office) reports to the local police station and FRRO office.
- Offering manual wake up calls.
- Managing the left luggage room and its records.

**3.3.7 Communication Desk / Telephone Operator :**

This section maintains the communications network of a hotel, ensuring smooth communication. Incoming calls are directed to the guests or the respective person in various departments or sections of the hotel. Today many hotels have upgraded the telephone department and have added many new duties over and above the traditional functions.

❖ **Functions of Communication Sections/Telephone Operator :**

- Handling incoming calls and wake up calls
- Directing calls to guest rooms through the switchboard/PABX (Private Automatic Branch Exchange) system.
- Provide information on guest services.
- Answering inquiries about hotel facilities and events.
- Ensuring guest privacy by protecting information and screening calls going to the guest.
- Ensure smooth communication during emergencies.
- Modern / Upgraded communication departments –
  - o Take all guest requests
  - o Take housekeeping requests for extra amenities
  - o Take room service orders and restaurant reservations.
  - o Ensure the maintenance issues are resolved by getting in touch with the engineering and maintenance department

❑ **Check Your Progress – 1 :**

1. Front office is the \_\_\_\_\_ point between the guest, management and other departments.
 

(A) smile	(B) communication
(C) transportation	(D) none of the above
2. Uniformed Services of the front office include :
 

(A) Bell Desk	(B) Valet	(C) Concierge	(D) All of the above
---------------	-----------	---------------	----------------------
3. Receiving rooms booking request is the function of \_\_\_\_\_ section of front office.
 

(A) Reservation	(B) Bell Desk
(C) Reception	(D) Sales & Marketing
4. \_\_\_\_\_ room and other services of the hotel is an important function of reservations.
 

(A) Cleaning	(B) Maintaining	(C) Upselling	(D) Security of
--------------	-----------------	---------------	-----------------
5. Reception plays key role in \_\_\_\_\_ the guest at the time of arrival.
 

(A) Welcoming	(B) Registration of
(C) Rooming	(D) All of the above
6. Traditionally concierges were \_\_\_\_\_.
 

(A) Keepers of keys	(B) Maintenance staff
(C) Reception staff	(D) Drivers

7. Functions of a cashier are :  
(A) Maintain house bank (B) Post room charges  
(C) Settle guest account (D) All of the above
8. \_\_\_\_\_ section is called mobile front office.  
(A) Concierge (B) Valet (C) Bell Desk (D) Cashier

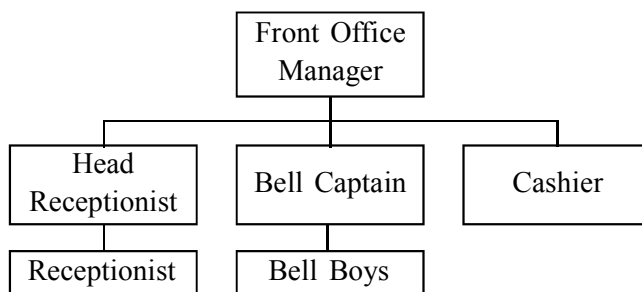
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### 3.4 ORGANISATION OF STAFF :

---

The Organisation chart makes it possible to understand each person's job and duties in the department. It also clarifies the line of authority and channels of communication within the department.

In a large hotel, the department is headed by Front Office Manager/Director who is assisted by Reservations Manager, Front Desk Manager and Revenue Manager. Front Office department chart not only provides for a systematic direction of orders but also protects employees from being over directed. The organisation chart shows that each employee should take orders only from the person directly above him/her.



**Fig. 1 : Org Chart of a small hotel. (Tiwari 2013)**

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### 3.5 DUTIES AND RESPONSIBILITIES OF SOME FRONT OFFICE STAFF :

---

#### 3.5.1 Front Office Manager :

- A hotel Front Office Manager is responsible for ensuring that the Front Office department runs smoothly and effectively as it is the first point of contact for guests with the hotel and staff.
- Managing day to day operations
- Ensuring the front desk staff provide a professional and friendly service to guests
- Communicating with guests
- Scheduling staff and training them from time to time
- Acting as a liaison between the General Manager and department staff
- The Front Office is the area of the hotel where guests form their first and last impressions. It essential for the Front Office Manager to work hard to create a pleasant experience for guests to ensure their return.
- Maximise room revenue and occupancy by reviewing status daily. Analyse rate variance, monitor credit report and closely observe daily house count. Monitor selling status of house daily.

**3.5.2 Reservation Manager :**

- Know entire reservation procedure according to International Hotel manual system.
- Review reservation booked daily.
- Review arrival report daily.
- Responsible for preparation of occupancy forecast.
- Monitoring Telephone Manner and an overall act of reservations staff daily.
- Ensure superior treatment of repeat guests and VIPs (Very Important Person).
- Monitors and coordinates group reservations activity with the sales department and revenue manager
- Follows up tentative reservation and update status
- Evaluates no-shows and cancelled reservations and processes charges according to the hotel's policy

**3.5.3 Receptionist :**

- Greet the guest on their arrival
- Politely verify the details of guests with reservation information.
- Complete registration formalities as per mandatorily required paperwork.
- Check the availability of rooms in case of walk-in guests.
- Assign rooms and call the bell attendant or self-escort guests to their rooms
- Explain hotel facilities to guests
- Upsell rooms to enhance the room revenue of the hotel
- Upsell other services of the hotel like food and beverage services, limousine services, and spa Generate incremental revenue for the hotel.

**3.5.4 Cashier :**

- Prepare bills and present the same for settlement at the same time as a guest's departure.
- Obtain the house bank and keep it balanced.
- Transfer guest balance to other accounts.
- Handle guest paid-outs

**3.5.5 Telephone Operator :**

- Answer incoming calls
- Direct incoming calls to the desired extension, which are routed to the PBX (Private Branch Exchange)
- Provide paging services for guests and employees
- Log wakeup calls and execute them at the right time by uploading them in the system in case of automatic wake up service or give a manual wake up call services.

**3.5.6 Bell Boy :**

- Handle guest luggage, i.e. transport the guest luggage from the lobby to the room at the time of check-in, and from the room to the vehicle

- Escort the guest to the room and familiarise them about the hotel's services.
- Keep the records of the left luggage rooms.
- Inform about the scanty baggage guests at the time of check-in

---

### **3.6 ATTRIBUTES OF FRONT OFFICE PERSONNEL :**

---

**Pleasant Personality :** The primary impression of the hotel comes from the front office staff. Gestures, grooming, and personal presentation of front desk staff are essential.

**Personal Hygiene :** Are in contact with the guest throughout the day hence it is imperative they look good at all times

**Physical fitness :** The front desk employees should be healthy as they work long hours and are on their feet most of the time.

**Honesty :** An honest employee is an asset to an organisation and leaves a good imprint of the hotel in the minds of guests.

**Salesmanship :** Motivate guests to book a higher category room wherever possible and increase their length of stay.

**Diplomacy :** Diplomacy is a quintessential characteristic required by hotel staff while dealing with any problem that guest may have with the hotel and its services.

**Good memory :** The front desk staff needs to have an excellent memory sharp mind will help the front office staff remember and respond to the reservation request and particular preference of the guest

**Good communication skills :** The front office personnel must possess excellent communication skills as they interact with guests at the time of their arrival, stay and departure. They should be self-assured, well-mannered, and clear and precise in the message

**Calmness :** The front office personnel should be able to remain calm and composed in high-pressure situations.

The calmness and patience of the front desk personnel in such a situation will help diffuse the tension, resolve the problem, and win the guest's faith and loyalty.

**Courteousness :** They should never argue with the guest. In case they are unable to resolve any guest problem, they should involve their immediate supervisor.

**Loyalty :** Loyalty instils a sense of belongingness among employees, reflects their interactions with guests.

**Punctuality :** The Punctuality of employees reflects their commitment to their work.

#### **❑ Check Your Progress – 2 :**

1. \_\_\_\_\_ heads the front office department  
(A) Concierge Manager                      (B) Bell Captain  
(C) Front Office Manager                  (D) None of the above.
2. \_\_\_\_\_ answers all incoming telephone calls to hotel  
(A) Telephone operator                      (B) Bell Boy  
(C) Front Office Manager                  (D) Cashier

## Front Office Management

3. Guest paid-outs are handled by
  - (A) Bellboy
  - (B) Accountant
  - (C) FO Cashier
  - (D) Front Office Manager
4. If a guest wants the hotel to purchase medicine from outside hotel \_\_\_\_\_ will go out and buy on behalf of the guest.
  - (A) FO Cashier
  - (B) Chauffer
  - (C) Front Office Manager
  - (D) Bell Boy

---

### 3.7 LET US SUM UP :

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The front office department is the central point of the activities that take place between guests and a hotel. It is organised into sections based on the tasks performed by the employees of each chapter. The organisation structure of the front office department depends on the size of the hotel. The front office personnel should be well turned out and at their best behaviour at all times. They should possess qualities like excellent communication skills, courteousness, salesmanship and honesty.

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### 3.8 ANSWERS FOR CHECK YOUR PROGRESS :

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**Check Your Progress 1 :**

1. (B), 2. (D), 3. (A), 4. (C), 5. (A), 6. (A), 7. (D), 8. (C),

**Check Your Progress 2 :**

1. (C), 2. (A), 3. (C), 4. (D)

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### 3.9 GLOSSARY :

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**Organisational Chart** – An organisational chart, is a hierarchical structure of an organisation depicting the relationships and ranks of job positions.

**Property Management Software** – A platform that enables a hotel or group of hotels to manage front-office capabilities, such as booking reservations, guest check-in/check-out, room assignment, managing room rates, and billing.

**PABX System** – The term "private automatic branch exchange (PABX)" is often used as a synonym for "telephone system". Private automatic branch exchanges are switchboards which connect several devices, e.g. telephones or faxes and answering machines with each other and with the public telephone network.

---

### 3.10 ASSIGNMENT :

---

Visit a lodge, a two-star hotel, a four-star hotel, and a five-star hotel, and study the following :

- (A) The layout of the reception
- (B) The layout of the reservation section
- (C) A different section of front office
- (D) Hierarchy of the front office department.

Try to find out the reasons for the difference in the above in each hotel visited by you. Discuss and analyse the difference. Do they vary according to the star rating ?



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### **3.11 ACTIVITIES :**

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Assume you are a hotel visitor. Take a made-up tour through a lobby and other public areas. Along the way, note examples of positive and negative moments of truth that can occur and specify how they may affect your perception of the property.

---

### **3.12 CASE STUDY :**

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"A Direction for the Rain Country Resort"

Shabeer Ahmed has just been transferred to the 125-room Rain Country Resort as front office manager. The Rain Country Resort is a mid-price resort operated by Petals Hotels & Resorts for a local investor. The resort opened over three years ago in a growing market, but financially performed below expectations. Besides, there have been many guest complaints. Shabeer has been transferred to the resort because he is the best front office manager in the Petals Hotels & Resorts management company.

Shabeer arrived at the resort to find a directionless front office department. Employees turnover was high, and they were not well trained. Only one of them knew how to use hotel management software completely. Employees generally did not understand what was expected of them. The reservations staff complained of getting conflicting instructions from the sales manager and the front desk manager. The previous front desk manager did not venture to the desk very often, preferring to remain in his office and produce reports for the general manager on why revenues were not meeting expectations.

When Shabeer visited the human resources office, he asked to see the front office mission statement, organisation chart, and job descriptions. He was told none were available. Shabeer read through many guest comment cards and the assistant manager's log. Poor employee attitudes seemed to be a significant problem, as did a lack of organisation.

#### **❖ Discussion Questions :**

1. Develop an organisation chart for the department, showing all the different positions. You must also indicate any relationships outside the department, such as a front desk and housekeeping.
2. Determine three strategies that fit into the mission statement of the department about employee friendliness, speed of check-in, and product information about the resort.
3. Develop two tactics for each strategy above.

---

### **3.13 FURTHER READING :**

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1. Hotel Front Office : Operations and Management – 9th edition – Jatashankar Tiwari
2. Professional Front Office Management – 2nd edition – Robert H Woods, Jack Ninemeier, David K Hayes.



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**BLOCK SUMMARY :**

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In this block, we learnt that lodging establishments comprise of hotels, motels, inns, suite hotels, conference centres, lifestyle hotels and upscale service hotels. Broadly, hotels may be categorised based on the number of rooms, market segment, levels of service, style of ownership and types of affiliations.

This block also discussed coordination between hotel front office and other departments. The front office exchanges information with housekeeping department, engineering department, sales and marketing department and security. For example, housekeeping and engineering departments coordinate for the cleaning and maintenance of rooms.

The flow of transactions can be divided into mainly four stages: pre-arrival, arrival, occupancy and departure. The guest chooses to stay during the pre-arrival stage. The arrival stage has registration and rooming activity of the guest. The guest enjoys the stay and requires many different types of services during the stay that is during the occupancy stage of the guest. The last stage, i.e., the departure stage is when the guest settles his account and hotel gives a memorable farewell to the guest.

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**BLOCK ASSIGNMENT :**

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❑ **Short Answer Questions :**

1. Describe the activities involved in the four stages of the traditional guest cycle ?
2. Explain the coordination of the front office with Housekeeping.
3. Explain the coordination of the front office with Sales and Marketing.

❑ **Long Answer Questions :**

1. What are the four main classifications of hotel types ?
2. How does size differentiate hotels ?
3. List the four stages of the guest cycle.

# **FRONT OFFICE MANAGEMENT**



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**ISBN 978-81-945630-7-5**

**Edition : 2020**

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## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# FRONT OFFICE MANAGEMENT

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### **BLOCK 2 : INTRODUCTION TO GUEST STAY CYCLE, NIGHT AUDITING AND PLANNING AND EVALUATION OF FRONT OFFICE**

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#### **Unit 1 Guest Cycle and Rooms Reservation**

Introduction, Guest Cycle, Pre-Arrival, Arrival, Occupancy Stage, Departure, Rooms Reservation, Types of Reservation, Types of Guarantees, Sources of Reservation, Reservation Reports

#### **Unit 2 Registration**

Introduction, Pre-Registration, Registration, Registration Records, Registration Process, Check-In Procedures, Check-In Procedure in Manual / Semi-Automated Hotels

#### **Unit 3 The Night Auditor**

Introduction, Functions of Night Audit, Purpose of Night Audit, Role of Night Auditor, Trial Balance/ Accounts Receivable, Posting of Room Charges, Distributing Charges, Audit Procedure Credit, Other Duties of Night Auditor

#### **Unit 4 Planning and Evaluating Operations**

Introduction, Management Functions, Establishing Room Rates, Method of Room Rates Determination, Forecasting Room Availability, Budgeting For Operation, Evaluation of Front Office Operation





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## ***Front Office Management***

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**BLOCK 2 : INTRODUCTION TO GUEST STAY CYCLE, NIGHT  
AUDITING AND PLANNING AND EVALUATION OF  
FRONT OFFICE**

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UNIT 1    GUEST CYCLE AND ROOMS RESERVATION

UNIT 2    REGISTRATION

UNIT 3    THE NIGHT AUDITOR

UNIT 4    PLANNING AND EVALUATING OPERATIONS

# ***INTRODUCTION TO GUEST STAY CYCLE, NIGHT AUDITING AND PLANNING AND EVALUATION OF FRONT OFFICE***

## **Block Introduction :**

A hotel is termed as a home away from home. Hence, hospitality is an essential consideration for both the guest and the organisation (hotel) every guest expects and deserves hospitable treatment. Providing hospitality to meet guests' needs involves not only a positive attitude but also to the type of services that make the guest's stay enjoyable and hence for that interdepartmental communication and coordination is very important, and this unit deals with the same. In particular, it is focused on how the front office relates to employees in all departments- marketing and sales, housekeeping, food and beverage, banquets, controller, maintenance, security, and human resources.

The hotel industry has grown to its present form by modifying itself concerning services, architectural design, and care for its guests. The modern hotel provides a clean, hygienic and well-appointed room with excellent services to its guests. The industry is so diverse and specialised that each hotel has to have a unique selling proposition to survive in the business. Every hotel tries to establish itself as exceptional, offering the best service to its guests. The classification of hotels helps tourist select a hotel that meets their expectations.

The front office develops and maintains a vast database of guest information, coordinates guest services, and ensures guest satisfaction. Employees in diverse areas of the front office perform these functions. Large hotels often organise the front office according to functions, with different employees handling separate sections. This division of duties can enhance the control the front office has over its operations.

## **Block Objectives :**

- Summarise front office operations during four stages of the guest cycle
- Describe front office record keeping and documentation during different stages of the cycle
- Discuss the sales dimension of the reservation
- Describe and demonstrate different types of bookings.
- Demonstrate reservation inquiries and their distributing channels
- Summarise front office operations during four stages of the guest cycle
- Describe front office record keeping and documentation during different stages of the cycle

- Discuss the sales dimension of the reservation
- Describe and demonstrate different types of bookings.
- Demonstrate reservation inquiries and their distributing channels
- Describe the role of night auditor
- State functions of the night audit.
- Discuss the distribution of charges.
- State the management function of front office
- Explain the ways of establishing room rates
- Point out forecasting of rooms availability
- Discuss the importance of budgeting
- Analyse evaluation of front office operation

**Block Structure :**

**Unit 1 : Guest Cycle and Rooms Reservation**

**Unit 2 : Registration**

**Unit 3 : The Night Auditor**

**Unit 4 : Planning and Evaluating Operations**

---

**UNIT STRUCTURE**

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---

**1.0 LEARNING OBJECTIVES :**

---

- Summarise front office operations during four stages of the guest cycle
- Describe front office record keeping and documentation during different stages of the cycle
- Discuss the sales dimension of reservations
- Describe and demonstrate different types of bookings
- Demonstrate reservation inquiries and their distributing channels

---

**1.1 INTRODUCTION :**

---

All the job roles, activities and areas of the front office are geared toward supporting guest transactions and services. To many guests, the front office is the hotel. This unit examines front office operations in terms of the various stages of a guest's stay, referred to as the guest cycle. All room reservation activities

for guests should result in having a hotel room ready and waiting when the guest arrives. This section describes typical activities associated with the reservations process.

---

## **1.2 GUEST CYCLE :**

---

Financial transactions a guest makes while staying at a hotel determine the flow of business through the property. Conventionally, the flow of business can be divided into a four-stage guest cycle.

Front office employee should be aware of the guest services and guest accounting activities at all stages of the guest stay. Front Office employees can effectively serve guest needs when they clearly understand the flow of business through the hotel.

### **1.2.1 Pre-Arrival :**

The reservation office in the hotel is the sales office for the hotel's non-group business. The employees of the reservation department should be sales-oriented and present a positive, healthy image of the hotel. A reservation agent should be able to respond to the rooms request and any other query very quickly. A reservation confirmation letter is sent as a record for the guest. The appropriate handling of reservation data can be critical to the success of a lodging property. If the procedures are followed, then the agent can record adequate data and will be able to promote hotel services.

Reservation is a stage where the guest makes up the mind to which hotel he wants to book for his next travel. Many factors influence a guest to book a hotel.

- |   |
|---|
| Travel Management Companies (Travel Agent)  |
| Ease of making the reservation (reservation agent, in person, e-mail, website etc.) |
| Employees description of hotel, facilities and room                                 |
| Internet  |
| Recommendations from friends or business associates                                 |
| Quality of service  |
| Overall cleanliness and appearance  |
| Chain or Brand Loyalty  |
| Price / Discounts / Special offers  |
| Purpose of travel   |
| There are preconceptions based on hotels name or chain affiliation.                 |

Reservation agent creates an electronic reservation record by accepting the matching room request. The creation of history initiates the hotel guest cycle. The history of the guest starts the hotel guest cycle. This record enables the hotels to personalise guest services and appropriately schedule the necessary staff and facilities.

Using the information collected during the reservation process, a PMS (Property Management System), initiates pre-registration. Pre-registration function includes automatically assigning a specific room and rate to guests who have not yet registered and creating an electronic guest folio.

An automated reservation system helps maximise room sales by accurately monitoring room availabilities and forecasting rooms revenue. However, no doubt, the most critical outcome of the reservation is to have the rooms available and ready when the guest reaches.

### **1.2.2 Arrival :**

The arrival phase of the guest cycle comprises registration and rooming functions. After the guest arrives, he or she begins a business and legal association with the hotel through the front office. The front office staff has to explain the nature of the guest–hotel relationship and to display the financial transactions between the hotel and its guests.

Entrance is the first–place guests directly interact with hotel staff. Attentive uniformed staff is a feature of many upscale and world–class hotels that help the guest in a welcoming, baggage handling, car parking and various other services. Excellent welcome at the entrance helps create a great first impression. There are multiple staffs like – Doormen, Valets, Bell attendants to help with various such tasks. The mid–scale and economy service hotels might employ a small number of people to give a similar kind of service.

There are four stages of the arrival process. Welcome, Registration, Escorting and Rooming. The front desk attendant should determine the guest’s reservation position before beginning the registration process. Guests with a reservation may have already undergone pre–registration activities. Those without, known as “walk–ins”, present an opportunity for front desk agents to sell guestrooms. To be successful at sales, a front desk attendant must be very familiar with the hotel’s room types, tariffs and guest services and be able to describe them positively.

Registration data contains information about the guest’s intended method of payment, planned length of stay, any special needs such as roll away bed or child’s carrycot, guest’s billing address, e–mail address and telephone number. All this information is recorded in the registration card.

Gathering all relevant information in detail at the time of reservation and registration enhances the front office’s ability to satisfy special guest needs. Also aids in forecast room occupancies, and settle guest account properly. At check out, this registration record becomes the primary source of guest history record.

Once the registration record is created, the attention is now on a method of payment. A proper credit establishment should be done in the beginning to ensure smooth payment and hassle–free departure for the guest. The guests use cash, check, credit card, debit card, travel agent voucher, company billing letter. The front office must ensure eventual payment.

The front desk should know the room types on offer. Hotel room types may range from a standard single room to a luxurious suite. Table 2 defines some typical hotel room types. Furnishings, amenities, and location within the properties will differentiate the room rates within the same room types.

Once the registration is complete, the method of payment is established, the guest is allotted a room key and permitted to proceed to the room. When the guest arrives at the office, the occupancy stage of the guest cycle begins.

## Front Office Management

### ❑ Check Your Progress – 1 :

1. The guest chooses hotel during the \_\_\_\_\_ phase of the guest cycle.  
(A) departure (B) occupancy (C) pre-Arrival (D) arrival
2. Proper handling of \_\_\_\_\_ information is critical for the lodging establishment's success.  
(A) revenue (B) guest preference  
(C) reservation (D) food preference
3. \_\_\_\_\_ influences travellers in booking a hotel room.  
(A) Internet (B) Food (C) Beverage (D) Weather
4. Front desk attendants should check a guest's \_\_\_\_\_ status before check-in.  
(A) age (B) nationality (C) reservation (D) marital
5. A proper \_\_\_\_\_ should be established for a smooth payment process at the departure.  
(A) debit (B) credit (C) charge (D) allowance

### 1.2.2 Occupancy Stage :

This stage is when the guest uses the services that the hotel has to offer. The hotel must represent itself in the best possible manner. Front desk plays a pivotal role at this stage. Its primary job is to coordinate with all departments of the hotel so that the guest gets the best possible service and enjoys excellent experiences. The front office should respond to the request in a timely and accurate way to maximise guest satisfaction. A concierge may also be on staff to provide exceptional guest services.

A primary front office objective is to boost repeat visits. Good guest relationships are essential to this objective. Guest relationships depend on clear, constructive communication between front office, other hotel departments and the guest. The hotel should be aware of the guest complaints and should be able to resolve it with a satisfactory resolution.

Another critical aspect of occupancy is security. Security issues likely to apply to front office include verifying guest identity and other information and protecting guest funds and valuables.

Various financial transactions happen during the stay of the guest, and a property management software helps with these. Different transactions are posted during the guest stay. Room rate and tax is the single most substantial charge on the guest folio. Other expenses that are posted on the guest account are services and goods purchased from different outlets of the hotel. Hotels have to establish acceptable credit at the time of arrival. This amount is referred to as the house limit. Guest account has to be continuously monitored to ensure that the house limit is not exceeded.

Front desk accounting records must be continuously reviewed for accuracy and completeness through system audit. The audit can be programmed to run at a particular time of day. The night is the best time as there are least transactions during that time due to inactivity.



### **1.2.3 Departure :**

Guest services and guest accounting aspects of the guest cycle are complete during the cycle's fourth phase : departure. The final element of the guest accounting process that is the settlement of the account happens during this stage. At check out, guests vacate the room, turns in the room key. He receives the correct statement of his account (Folio). After check out the front office has to update the guest room status correctly and close the account.

Departure is the last opportunity to interact with the guest, which makes the stage crucial. During check out, the guest feedback may be taken about his/her stay at the hotel. Guest feedback may be sought during interactions at different stages of occupancy and departure on a feedback form. Feedback helps the hotel understand the guest better. It also helps the manager understand the trend or any shortcomings that the hotel is facing.

A guest history file is an assembly of guest history records. Most hotels use the registration record to create guest history file automatically. Guest history helps management understand the guest better and creates a solid base for strategic marketing.

Settlement of account is the process of collecting the money and finally closing the statement at the time of departure. Depending on the guest, he/she may use a credit card, debit card, cash, travel agent voucher or company billing letter to settle the account of the guest. Accuracy of the bill should be achieved before the departure. Problems may occur, and charges are posted into the guest account until after the guest checks out. These charges are called late charges. Late charges can lead to hotel incurring an extra expense in the recovery of charges. Additionally, it may lead to an angry guest due to faulty departure service.

After departure, the front office can analyse data regarding the guest stay. Property Management System (PMS) can provide reports that identify and isolate problem areas of the hotel's services. The management can then take necessary action to tackle the issue. PMS also gives an idea of the trends that a hotel has to deal with.

#### **❑ Check Your Progress – 2 :**

1. Which of the following is a chief front office worry during the occupancy stage of the guest cycle ?  
(A) security  
(B) account settlement  
(C) room assignment  
(D) maintaining the guest history record
2. Uniformed service functions are main activities in which of the following stages of the guest cycle ?  
(A) pre-arrival and arrival                      (B) arrival and occupancy  
(C) occupancy and departure                      (D) arrival and departure
3. Which of the following front office histories typically contains personal guest data, the length of stay, and the method of settlement ?  
(A) room rack slip                                      (B) registration card  
(C) information rack slip                              (D) credit card voucher

4. Charges that are posted after the guest departure are called \_\_\_\_\_.
- (A) Post charges (B) Late charges  
(C) Early charges (D) Paid out charges
5. \_\_\_\_\_ helps the hotel understand the guest better.
- (A) Complaint (B) PMS (C) Feedback (D) Crying

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### 1.3 ROOMS RESERVATION :

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**Reservation** – Reservation in the hotel industry is defined as ‘blocking a specific type of guest room (e.g., single room, double room, deluxe room, executive room and suite.), for a fixed time (i.e., number of days of stay), for a specific guest, at a particular rate of room/package’.

The most important outcome of the reservation is to have a guest room ready on arrival for the guest. The room is not just any room but the room that best meets the needs the guest expressed during the reservation process. A well-organised reservation system allows hotels to ensure a steady flow of guest into their properties. Easy access to a hotel’s data bank of rooms helps in fulfilling the guest's needs as well as in reaching a targeted daily occupancy rate, average daily rate, yield percentage, and Rev-PAR. A reservation system signifies the primary means of producing positive cash flow and a favourable income statement.

Duties related to rooms reservation have been more complex and essential. Many hotels have established the position of Revenue Manager to oversee them. A revenue manager is responsible for forecasting demand. For each market segment the hotel as well as determining the guest room rates that will provide sufficient room revenues and occupancies.

❖ **Typical Reservation Actions :**

- Formulating the reservation inquiry
- Determining room and rate availability
- Creating the reservation record
- Confirming the reservation record
- Maintaining the reservation record
- Producing reservation reports
- Researching, planning, and monitoring reservations

#### 1.3.1 Types of Reservation :

**Tentative** – The hotel holds the room for the guest till a cut-off date, by which the guest should confirm the reservation.

**Confirmed** – Once a guest confirms a reservation request, the hotel blocks a room for specified stay dates. It sends a written confirmation of the same to the guest.

**Guaranteed** – The hotel will hold a room for the guest and not issue it to any other guest even if he/she does not arrive on time. This time may be the check-out time of the following day or any additional time the hotel selects. The guest, in turn, promises to pay for the room, even if it is not used, unless the reservation is not cancelled according to the hotel’s cancellation policies and procedures.

### **1.3.2 Types of Guarantees :**

**Prepayment** – Prepayment requires that payment in full be received before the guest's day of arrival at the hotel. From the viewpoint of the front office, this is generally the most desirable form of guaranteed reservation. This type of guaranteed booking is commonly used at the resort.

**Advance Deposit** – Requires that the guest pay to hotel an individual (not all) amount of money. For example, a one-night deposit, 50% of the total package value. Usually, this advance deposit amount is non-refundable and is taken if the guest cancels or fails to arrive at the hotel. If the guest arrives, this deposit is credited to the folio on the last day of the departure.

**Payment Card** – Credit and debit card companies have arrangements with lodging companies. In case of no-shows and cancellations, the participating hotels get the money in case of payment card guarantee method.

**Voucher** – A type of travel agent guarantee is the travel agency voucher. The travel agent issues the voucher. The guest has prepaid the amount to the travel agent. Agent forwards voucher to the hotel as proof of payment. A guarantee prepaid amount will be sent to a hotel when the voucher is returned to the hotel. Usually, with the coupon, the travel agency deducts its commission before sending payment to the hotel.

**Corporate Guarantee** – In corporate guarantee, a company/corporation agrees to accept financial responsibility for any no-show business travellers that the corporate sponsors.

**Non-Guaranteed** – The hotel agrees to hold the reservation until the cancellation date/time (4 P.M. or 6 P.M. hold). Beyond the cancellation time, the hotel will release the room back to the inventory and will be free to sell it. The hotel does not get any money in case of cancellation or no-show.

**Waitlisted** – When the requested category of room is not available for the requested dates.

### **1.3.3 Sources of Reservation :**

**Direct** – Hotels directly handle many of their reservation transactions. Depending upon the volume of calls received, the hotel may have a person or a separate department to process the reservation work. Guest can reach the hotel directly in several ways – telephone, e-mail, property website and property to property. Most hotels have specific sales procedures for reservation agents to use when taking reservation from a caller. Standard components of the reservation agents sales process include :

Booking is a sales process. One more important quality of a successful reservation office is that the agents are trained to sell the hotel instead of being merely order-takers. They create a positive image of the property and instil a desire on the part of the caller to make a reservation. A positive reservation agent will be able to create a positive image of the hotel and will be able to get more bookings.

To create a reservation, record the reservation agent should have some necessary data.

- Guest's name (and group name, if applicable), Guest's home or billing address, Guest's e-mail address
- Guest's telephone number, including area code.

## Front Office Management

- Name, address and telephone number of the guest's company, if appropriate.
- Name of and pertinent information about the person making the reservation, if not the guest
- The number of persons and their ages if there are children.
- Arrival date and time
- Departure date and time
- Reservation type
- Special requirements
- Additional information needed (method of transportation, late arrival, flight number, room preference, and so out.)
- After receiving this information confirmation number to provided by the reservation agent, which is a unique reference number for the reservation record. In case of a guaranteed reservation, additional information required would be :
  - Payment card information
  - Prepayment or deposit information
  - Corporate or travel agency account information – letter or a voucher

Reservations should inform the essential aspects of guaranteeing a reservation. Guests should know the deposit amount, the cut-off time before they could guarantee. Guest must also know that if they fail to cancel the reservation.

**Central Reservation System** – A majority of the lodging properties belong to one or more central reservation system. A CRS is responsible for maintaining a room availability inventory for each property participating in the order. There are two types of central reservation systems.

**Affiliated Reservation Network** – A hotel chain reservation network in which all participating properties are contractually related. Chain hotels link their reservations operations to streamline the processing of reservations and reduce overall costs. Another intended outcome is that one chain property will attract business for (or refer business) another chain property. Tickets are passed on from one hotel to another hotel through automated reservation network.

**Non-Affiliate Network** – is a subscription system designed to connect independent or non-chain hotels. Non-affiliate reservation networks enable independent hotel operators to enjoy many of the same CRS benefits as chain-affiliated operators.

**Travel Agencies** – Travel agencies act as intermediaries for hotels. They are private retailers that provide travel and tourism-related services to the general public on behalf of suppliers. Smaller hotels, such as a boutique hotel, often find it cheaper to offer commissions to travel agents than engage in direct advertising and distribution campaigns.

**Intersell Agency** – An intersell agency is a reservations system alternative to a Global Distribution System (GDS) that contracts to handle reservations for more than one product line. Intersell agencies typically take reservation services for airline companies, car rental companies, and lodging properties – a “one-stop-shop” approach.

**Global Distribution System (GDS)** – GDS is a giant computer grid. It is also a reservation tool that passes hotel catalogue and rates to travel agents and

allows them to make reservations. GDS is used by various travel sections and serves many different establishments, including airlines, ground handlers, hotels, railways, car rental companies, airports, cruise lines and ferry operators. The property's information (rates, inventory, etc.) are loaded into both the GDS and ODD (Online Distribution Database), which connects hundreds of internet travel portals and Online Travel Agencies (OTA). The leading GDS Systems are Amadeus, Galileo/Apollo (owned by Travelport), Sabre, and Worldspan (owned by Travelport)

**Cluster Reservation Office** – Chains that have several hotels across the globe may opt to have a single reservation office (cluster office) for a particular geographical location. This office or website operates similar to chain CRS but serves one specific area.

#### **1.3.4 Reservation Reports :**

**Reservation transaction report** : This report summarises the daily activities of a reservation department. **Commission agent report** : This report includes the amounts payable by the hotel to the various commission agents.

**Turn away or refusal report** : At times, hotels end up 'turning away' guests due to unavailability of rooms. This report records such cases. **Revenue forecast report** : It is a forecast of the business volume a hotel expects to generate in a specified time.

**Expected arrival list** : This list has names and room types of guests who are expected to arrive the next day.

**Stayover list** : This list has names and room numbers of guest who are expected to continue to occupy their rooms the following day.

**Expected departure list** : This list has names and room numbers of guests who are expected to depart the next day.

#### **❑ Check Your Progress – 3 :**

1. Mr Jariwala made a reservation at The Orchid Hotel. He arrived at 9 P.M. only to find that the hotel was full. The room held for him was released for sale at 6 P.M. Based on this information, which of the following types of reservations did Mr Jariwala probably make ?  
(A) a non-guaranteed reservation  
(B) a credit card guaranteed reservation  
(C) travel agent guaranteed reservation  
(D) corporately guaranteed reservation
2. Central reservations offices typically exchange room availability information with member properties and communicate reservation transactions :  
(A) Weekly      (B) Daily      (C) Hourly      (D) As they occur
3. Which of the following reservation system reports would help managers assess the volume of reservations activity daily ?  
(A) an expected arrivals and departures report  
(B) a rooms availability report  
(C) a regret and denial report  
(D) a reservations transaction report

4. Which of the following front office applications would help managers track commissions payable to agents for booking business at their hotels ?  
(A) reservations module (B) rooms management module  
(C) guest accounting module (D) financial management module
5. A term used to classify lost business when potential guests choose not to make a reservation.  
(A) denial (B) regret (C) turn away (D) no show

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**1.4 LET US SUM UP :**

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Financial transactions that occur due to guest activity while staying at the hotel regulates the guest cycle of a business. Flow can be divided into four stages – Pre–Arrival, Arrival, Occupancy and Departure. The Guest chooses his hotel in the pre–arrival step. The arrival stage includes registration and rooming function. During the occupancy stage, the front office provides the guest with services, information and supplies. Other services and accounting activities are completed during the departure. Since activities and functions tend to overlap between stages, some hotels have revised traditional guest cycle into sequence of pre–sale, point–of–sale and post–sale events.

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**1.5 ANSWERS FOR CHECK YOUR POGRESS :**

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- Check Your Progress 1 :**  
1. (C), 2. (C), 3. (A), 4. (C), 5. (B)
- Check Your Progress 1 :**  
1. (A), 2. (D), 3. (B), 4. (B), 5. (C)
- Check Your Progress 1 :**  
1. (A), 2. (D), 3. (D), 4. (A), 5. (C)

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**1.6 GLOSSARY :**

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**Guest cycle** – A division of the flow of business through a hotel that identifies the contact and financial exchanges between guests or guestrooms.

**Guest folio** – A paper or electronic form that the front desk staff uses to chart transactions on an account assigned to a person or guestroom.

**Guest history file** – A collection of guest history records containing information about interactions between a hotel and former guests.

**Late charge** – a transaction is requiring posting to a guest account that does not reach the front office system until after the guest has checked out.

**Property management system** – A computer software package that supports a variety of applications related to the front office and back–office activities.

**Reservation Record** – An electronic document storing such guest data as the date of arrival, type and number of rooms requested, deposit, and several persons in the party.

**Advance–deposit guaranteed reservation** – a type of guaranteed booking that requires the guest to pay a specific amount of money to the hotel in advance of arrival.

**Affiliate reservation network** – a hotel chain’s reservation system in which all participating properties are contractually related.

**Central reservation system** – A network for communicating reservation in which each participating hotel is represented on an automated database and is required to provide room availability data to the central reservations central reservation.

**Global Distribution System** – A distribution channel for reservations that provide worldwide distribution of hotel reservation information and allows the selling of hotel reservation around the world; usually accomplished by connecting the hotel company reservations system.

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### **1.7 ASSIGNMENT :**

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You are a reservation agent of Hotel ABC. While attending a reservation call from Ms Chandni, you found that she has a query regarding whether she should guarantee her booking.

Briefly explain about the benefits of guaranteed booking.

Explain the different modes of payments for guaranteed reservations.

Practice filling reservation forms by choosing a partner who acts as a guest for booking a room.

Practice telephone etiquettes and telephone booking with a partner who acts as a guest for booking a room.

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### **1.8 ACTIVITY :**

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Suggested Guest Speaker

The reservations manager from a local hotel with a computerised reservation system to discuss the relationship between reservations and sales :

- How the property trains reservations agents in sales techniques
- How reservations agents use sales techniques to enhance total revenue
- The impact such a sales emphasis has on the bottom line

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### **1.9 CASE STUDY :**

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“Testing the New Reservations Agent”

Ravi, the general manager of The President Hotel, has a habit of test-calling his hotel's reservation department to hear how the hotel is sold over the telephone. The hotel recently hired a new reservations agent, Anita, and he would like to know how she sells the hotel. Since he has met her only twice (once when she was hired and once in the employee cafeteria), he is confident she will not recognise his voice.

Ravi calls the hotel's main telephone number and asks for the reservations department. After two rings, Anita answers the telephone, and the following conversation takes place :

Anita : "The President Hotel reservations. This is Anita. How can I help ?"

Ravi : "I am looking for a reservation for next Tuesday. Are any rooms available ?"

Anita : "What kind of room are you looking for ?"

## Front Office Management

Ravi : "I have never been to the hotel. What kind do you have ?"

Anita : "We have standard rooms and deluxe rooms."

Ravi : "What is the difference ?"

Anita : "One thousand rupees per night."

Ravi : "No, I mean, what makes one standard and the other deluxe ?"

Anita : "Our standard rooms are on the lower floors of the hotel. The deluxe rooms are on higher floors." (A five-second pause occurs at this point.)

Ravi : "Well, thanks for helping me." (Ravi hangs up.)

### ❖ Discussion Questions :

1. Did Anita properly sell the hotel and its features ? What could she have done to sell Ravi on the reservation ?
2. What elements should be included in Anita's training to prepare her to answer reservation telephone calls correctly ?
3. Should Anita handle a request for a group guestroom differently from a non-group room ? If so, what are the differences ?
4. Describe several ways of communicating room availability and rates to Anita in the reservations office. How can Anita use this information in her sales efforts ?

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### 1.10 FURTHER READING :

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1. Hotel Front Office : Operations and Management – 9th edition – Jatashankar Tiwari
2. Professional Front Office Management – 2nd edition – Robert H Woods, Jack Ninemier, David K Hayes.





**UNIT STRUCTURE**

- 2.0 Learning Objectives
- 2.1 Introduction
- 2.2 Pre-Registration
- 2.3 Registration
  - 2.3.1 Registration Records
  - 2.3.2 Registration Process
- 2.4 Check-In Procedures
  - 2.4.1 Check-In Procedure in Manual / Semi-Automated Hotels
- 2.5 Let Us Sum Up
- 2.6 Answers for Check Your Progress
- 2.7 Glossary
- 2.8 Assignment
- 2.9 Activities
- 2.10 Case Study
- 2.11 Further Reading

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**2.0 LEARNING OBJECTIVES :**

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- Explain activities associated with the second stage of the guest cycle, i.e. arrival – pre-registration and registration
- Describe the various pre-registration activities, including preparing the arrival list, room availability status and amenities voucher
- Illustrate formats for the registration record
- Trace the flow of registration process – identifying guest status, completing registration records, assigning rooms and rates, establishing the payment modes, and issuing room keys.
- Compare the check-in procedures for manual, semi-automated and fully automated hotels.

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**2.1 INTRODUCTION :**

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The first stage of the guest cycle deals with reservations. The second stage deals with arrival – deals with the activities involved in the process of pre-registration and registration—the registration process, which involves the formalisation of a valid contract between a guest and hotel.

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**2.2 PRE-REGISTRATION :**

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1. Activities carried out by front desk attendants before the arrival of guests, which help quicken the process of guest registration are termed as pre-registration activities.

## Front Office Management

2. Arrival list is prepared for the next day with rooms availability.
3. Room position is calculated.
2. Any unique request/amenities requested are reconfirmed/communicated with other departments.
5. Then the amenities vouchers are prepared for the arriving guests, which are sent to the respective departments like housekeeping and food and beverage service department.
6. The front office attendant checks the status of the room to make sure that the rooms are ready to move in. This coordination must be done with the housekeeping.
7. The front desk attendant next prepares Guest Registration Card (GRC). The information in the GRC is pre-filled. The information is sourced out from guest history record and reservation record.
8. Pre-filled GRC allows quick check-in when guests arrive at the registration desk, as they only need to verify the information already entered in the GRC and sign the card.
9. The check-in of a walk-in guest takes comparatively longer as it is not supported by pre-registration activity.
10. Pre-registration also includes room and rate assignment.

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### 2.3 REGISTRATION :

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1. The registration process is completed in the reception. This area is operated by a desk attendant (receptionist) who welcomes the guest and answers their inquiries. Registration is the first face-to-face communication between the hotel and the guests.
2. Registration is a process of gathering information from the guest that is mandatory as per law prevailing in the country. According to the Foreigner's act, 1946 and Registration of Foreigners' Rule, 1992, the hotels should keep records of the guest staying in his sites as perform F (of the Registration of Foreigners' Rules, 1992).
3. Registration is the formalisation of a valid contract between the guest and a hotel. The hotel offers safe and secure boarding, and lodging facilities and the guest accepts to pay for the facilities received.
2. In the case of non-Indian visitors, the front desk staff should fill Form C.
5. The form C details have to be sent to FRRO (Foreigners Regional Registration Office) and LIU (Local intelligence office) within 24 hours of the arrival of the guest.
6. In the case of Pakistani and Bangladeshi guest, this information should reach within 4 hrs of arrival. Additionally, local police station should also be informed.



There are different types of passport and applicable visas for India. Scan the QR codes for more information on types of Passports and types of visas for India.



**Fig. 1 : Types of Passports**

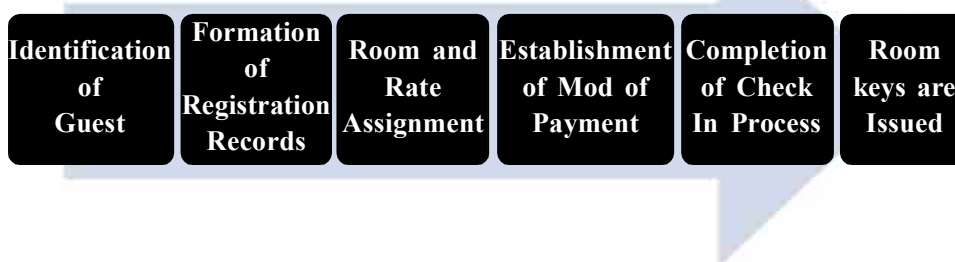
**Fig. 2 : Types of Visas**

### 2.3.1 Registration Records :

The information collected during the registration is stored as the registration record, which is based on form F of the Registration of Foreigners' Rule, 1992. Hotels have different ways of posting and storing registration records.

- **Hard Bound Register** – Normally used by small hotels. All the pages are bound into a thick book, and it can be used for a long time.
- **Loose-leaf Register** – It contains the same data as hardbound register, with the difference that the pages are not bound. One new page is used every day.
- **Guest Registration Card** – GRCs may be used in duplicate or triplicate as per hotel requirement. They are given at the time of arrival to complete registration formality.

### 2.3.2 Registration Process :



**Identification of Guest** – Identify the guest and distinguish between a booked or a walk-in guest. Pre-filled GRC due to pre-registration activity makes the guest have a speedy check-in. Walk-in guests must go through a few extra steps before they are ushered to the room.

**Formation of Registration record** – A guest fills/verifies registration record and signs it. The complete registration record is a legal requirement. It legalises the relationship between the guest and the hotel. Registration card helps create other records such as folio, guest history card and other required documentation.

**Room and Rate Assignment** – A room is assigned to the guest after the signature of the guest registration card. Room is given as per booking details or the preference of the guest. Guest preferences like floor level, view type, smoking/non-smoking and elevator proximity are taken into consideration.

**Establishment of Mode of Payment** – The determination of guest credit and mode of payment is essential for a hotel. Hotels accept cash, traveller's cheques, foreign currency, credit card as valid modes of payment. Also, travel agent voucher and authorised bill to company letter are some other modes of payment. A voucher, letter or advance deposit is asked at the beginning of the stay to secure the payment for the guest stay.

**Completion of Check-in Procedure and Issuance of Room keys** – After the registration, a room is assigned to the guest. A bell attendant is called to escort the guest and his/her luggage to the assigned room. The front desk attendant carries out the following activities after the guest leaves for the room.

- Creates folio
- Fills form C
- Updates room status

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## 2.4 CHECK-IN PROCEDURES :

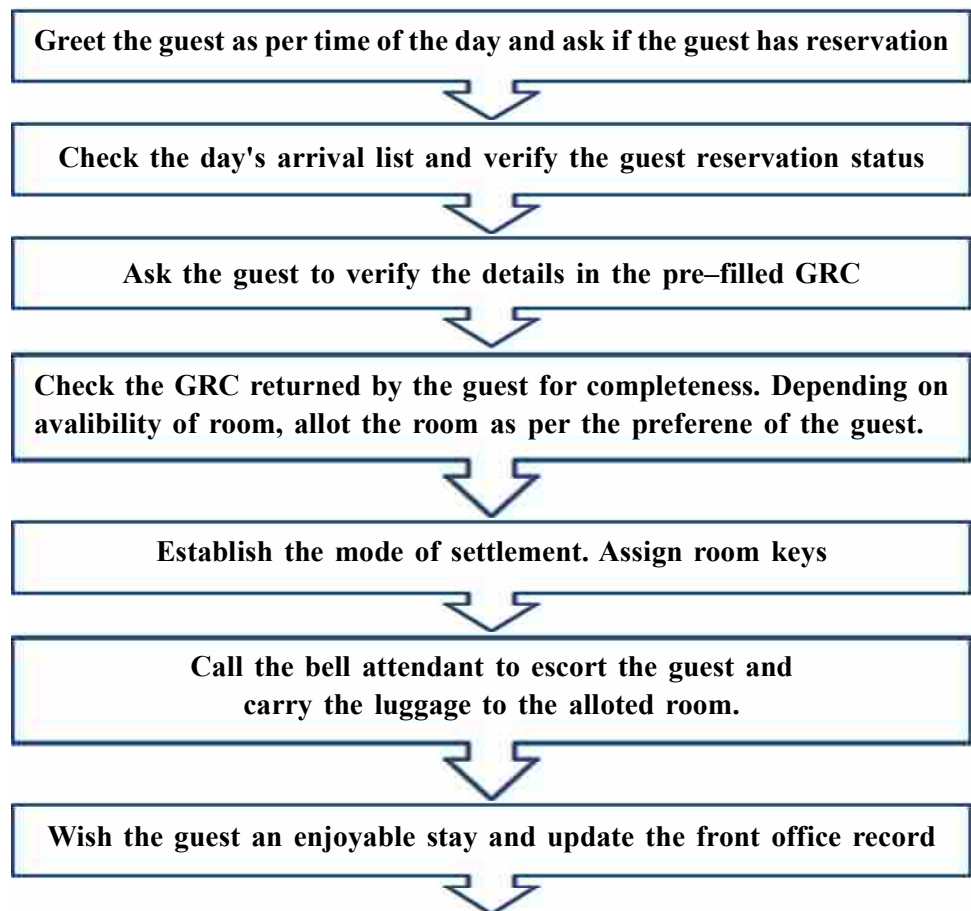
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Check-in procedure involves different stages of the arrival of a guest to the issuance of the room key to the guest. In case of manual or semi-automated operations systems, the process begins as the guests arrive at the hotel are greeted by the front office staff. Then they complete registration formalities. Finally, a room is assigned, the key is issued, and the guest is escorted to the room.

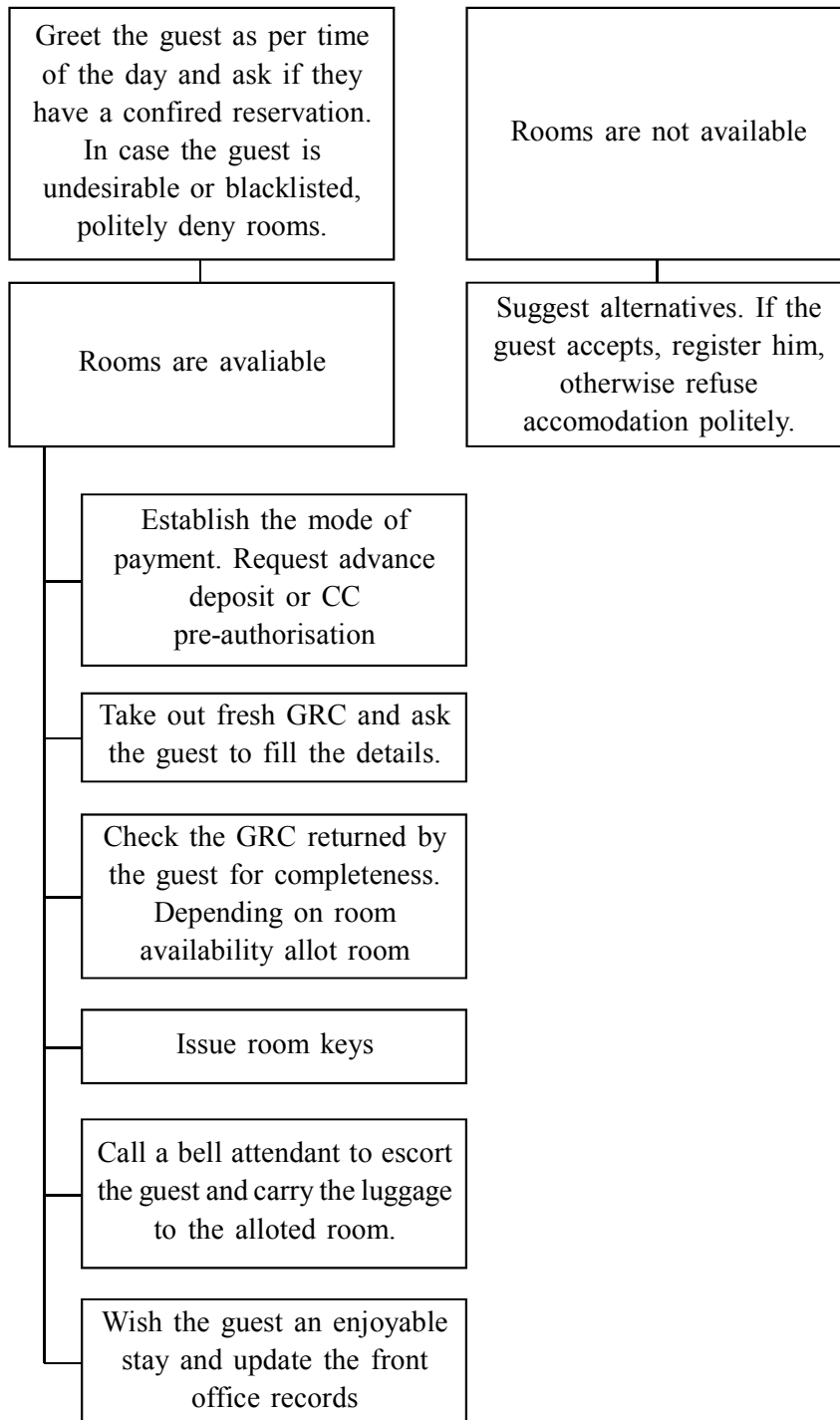
### 2.4.1 Check-In Procedure in Manual / Semi-Automated Hotels :

The check-in varies for the guest with a confirmed reservation and walk-in guests. It may take a specialised form in case of VIPs, groups, crews and scanty baggage guests.

#### ❖ Guest with Confirmed Reservation :

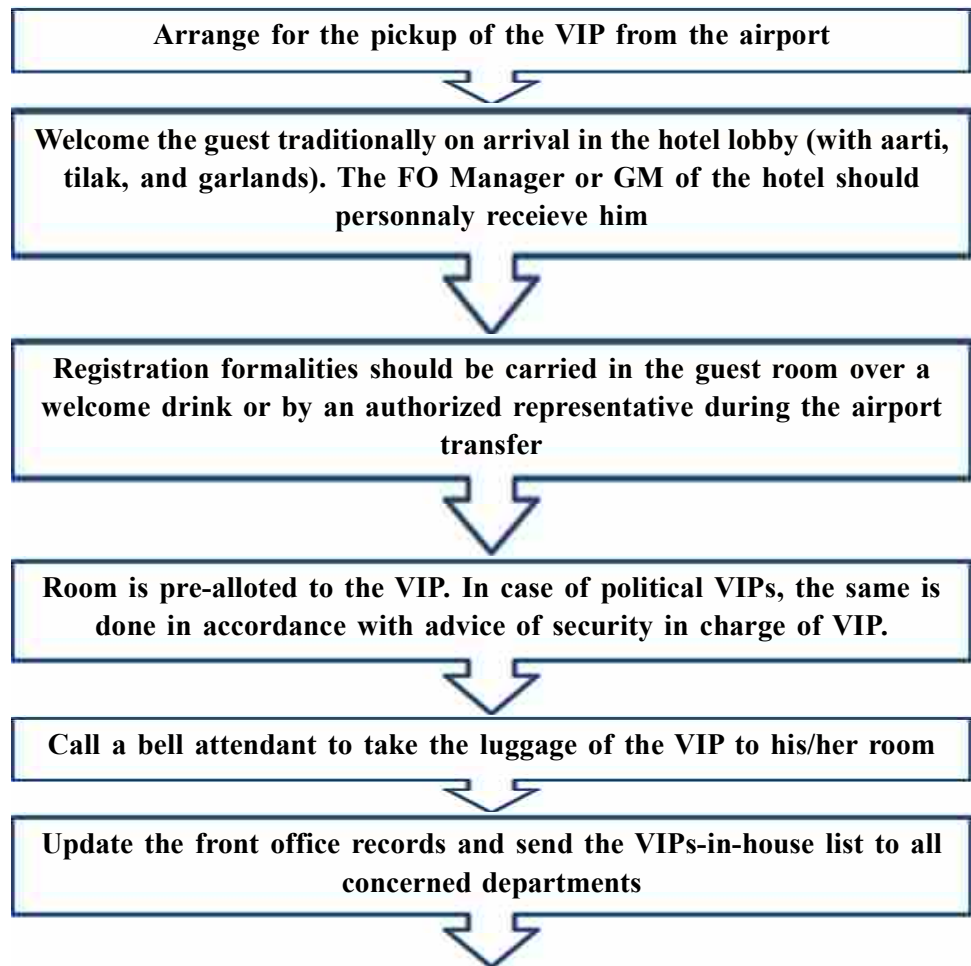


❖ **Walk-in Guests :**



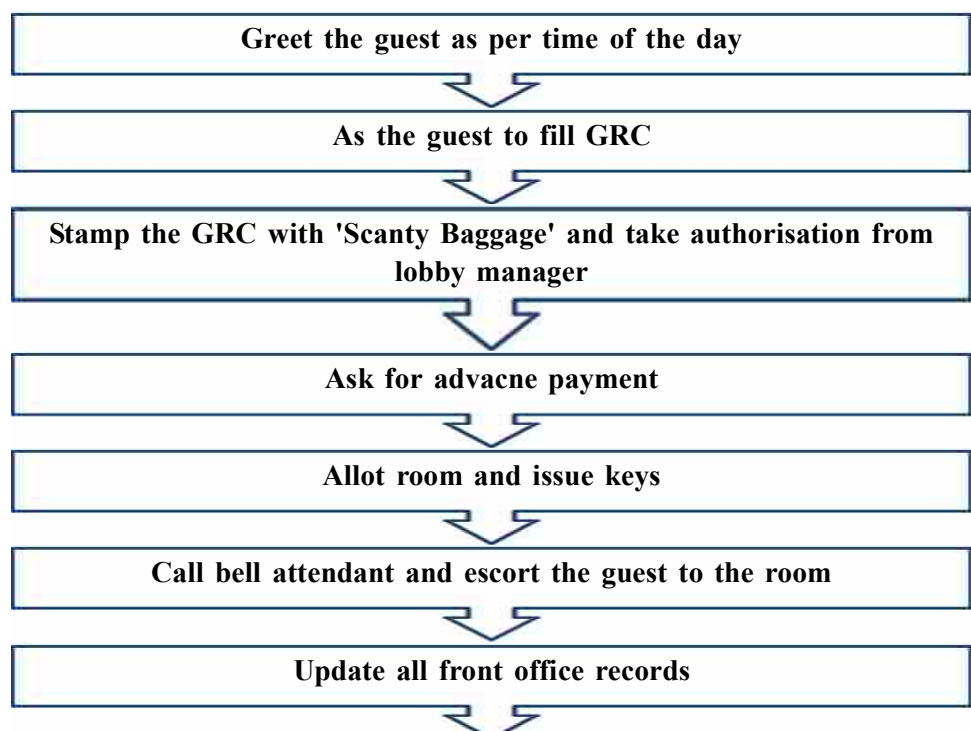
❖ **VIP Guests :**

Very Important guests include heads of state, ministers, senior media personnel, sports personnel, film stars, rock stars, travel writers, top executives of corporate houses. CEOs of large corporate house, senior defence personnel, famous public figures and others. They guest special treatment and attention. They guest special treatment and attention from the hotel staff due to their VIP status.



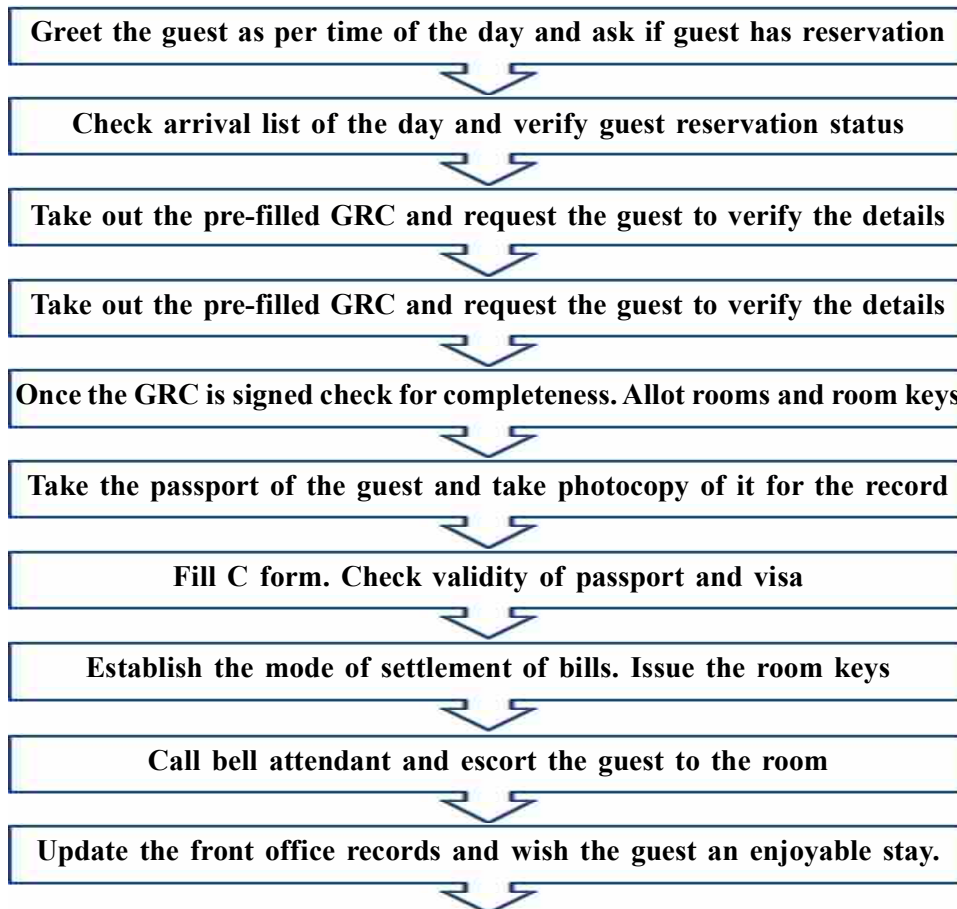
❖ **Scanty Baggage Guests :**

A guest who arrives at the front desk requesting accommodation and is carrying very little or no baggage is called a scanty baggage guest. Such a guest is a potential skipper (a guest who leaves without paying bills). Following guest needs to be flagged, and following check-in, the procedure needs to be done for them.



❖ **Foreign Guests :**

Check-in for foreign guests is the same as a domestic guest, with the exception that Form C has to be filled for registering a foreigner guest. Diplomats and NRIs do not have to fill this form. The hotel staff should check the guest's passport and visa.



❖ **Check-in Procedure in Fully Automated Hotels :**

In fully automated hotels, guests can register themselves at self-check-in kiosks without the intervention of hotel employees.

To know how it works, please scan the following QR code to see a video.

By installing self-service terminals, hotels reduce the waiting time for check-in and thus offer a superior customer service experience to the guest. The self-check-in terminal gives hotel staff more opportunity to look after other hospitality needs of guests.



**Fig. 3 Self Check-In Kiosk by Resorts World Genting (Resorts World Genting 2015)**

❑ **Check Your Progress – 1 :**

1. Data for pre-filling of guest registration card is obtained from :
 

(A) Reservation form	(B) Guest history card
(C) Both	(D) None of the above

**Front Office Management**

2. In which of the following conditions can a hotel refuse accommodation to walk-in guests even though the number of vacant rooms is available
  - (A) Guests are disorderly dressed
  - (B) Guests are in a drunken state
  - (C) Guests are suffering from contagious disease
  - (D) All the above
3. Indian government issues the following types of passport.
  - (A) Ordinary (B) Official (C) Diplomatic (D) All the above.
2. The non-immigrant visa may be of the following type :
  - (A) Student visa (B) Tourist visa (C) Work visa (D) All the above.
5. After every check-in, front desk carries out which of the following activities.
  - (A) Updating room status
  - (B) Creating guest folios
  - (C) Preparing arrival notification slip
  - (D) All the above.
6. The hotel register is also known as the red book.
  - (A) True (B) False
7. Form F requires the necessary data to be taken from every hotel guest.
  - (A) True (B) False
8. The check-in procedure of walk-in guests differs from the check-in procedure of guests with a confirmed reservation.
  - (A) True (B) False

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**2.5 LET US SUM UP :**

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In this chapter, we have studied the second stage of the guest cycle, i.e. arrival. The activities carried out before the guest arrival – that ensure the speedy check-in of the guest – are termed as pre-registration activities. That includes preparation of arrival list, the printing of GRC, availability status, amenities voucher and few others. The registration of a guest at the front desk involves legal implications for both the hotel and the guest. It is mandatory by law to maintain the registration record of their guest. Registration involves identification of guest reservation status, the formation of folio and basis for guest history record.

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**2.6 ANSWERS FOR CHECK YOUR PROGRESS :**

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**□ Check Your Progress 1 :**

1. (A), 2. (D), 3. (D), 4. (D), 5. (D), 6. (A), 7. (A), 8. (A)

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**2.7 GLOSSARY :**

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**Arrival List** – A list generated by the reservation section, which contains the data of the guests expected to arrive on a given day.

**Form C** – A document that contains the information required to be sent to FRRO / LIU in case of foreign guests.



**Form F** – A document that contains the information required to be maintained by the innkeeper for all visitors arriving in the hotel.

**Guest History Card** – A form that contains the data of the guests frequently visiting the property. This document helps in pre-registration, sales, and marketing activities, and for planning guest services.

**Hardbound register** – A thick, bound book containing the registration records of a hotel.

**Loose-leaf register** – The pages of this book, containing the registration records of a hotel, are not bound, and one new page is used every day.

**Passport** – A political paper identifying the holder as a resident of the country granting it, and is by nature of a request to other countries for his free passage there.

**Reservation form** – A form used to gather the data required for the reservation of a specific guest.

**Rooming List** – A list prepared for the groups and crews, containing the names of group members.

**Scanty baggage guest** – A guest who arrives at a hotel without luggage, or only with a briefcase or a handbag.

**Visa** – Visa is an endorsement on the passport, allowing the holder entry into the territory of the issuing country.

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## **2.8 ASSIGNMENT :**

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List the details contained in the reservation form, guest history card that is used to fill GRC as part of the pre-arrival activity.

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## **2.9 ACTIVITY :**

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Visit a hotel in your city and collect all the forms and format used during the check-in procedure. Do a mock check-in with a partner who can act as a guest.

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## **2.10 CASE STUDY :**

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Raghu is a receptionist in The Deltin Hotel. One day a guest comes at the front desk and asks about the availability of a room for three nights. There are fifteen rooms available for the requested duration. However, while talking with the guest, Raghu notices that he is drunk although his behaviour is decent. What should Raghu do in this situation ?

❖ **Discussion Questions :**

1. Should he register the guest for the requested duration ? Why or why not ?
2. Should he deny accommodation to the guest ? Why or why not ?
3. Suggest alternatives to Raghu, along with reasons.

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## **2.11 FURTHER READING :**

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1. Managing Front Office Operations – 10e – Michael L. Kasavana
2. Professional Front Office Management – 2e – Robert H. Woods et al

**UNIT STRUCTURE**

- 3.0 Learning Objectives
- 3.1 Introduction
- 3.2 Functions of Night Audit
  - 3.2.1 Purpose of Night Audit
- 3.3 Role of Night Auditor
- 3.4 Trial Balance/ Accounts Receivable
- 3.5 Posting of Room Charges
- 3.6 Distributing Charges
- 3.7 Audit Procedure Credit
- 3.8 Other Duties of Night Auditor
- Check Your Progress 1
- 3.9 Let Us Sum Up
- 3.10 Answers For Check Your Progress
- 3.11 Glossary
- 3.12 Assignment
- 3.13 Activities
- 3.14 Case Study
- 3.15 Further Reading

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**3.0 LEARNING OBJECTIVES :**

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In this unit, we have discussed the procedure for night auditing in detail and the various steps involved in the same.

After going over this unit, you should be able to :

- Describe the role of night auditor
- State functions of the night audit
- Discuss the distribution of charges

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**3.1 INTRODUCTION :**

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The hotel during daytime is full of activities. Many transactions take place at various points in the hotel. It is during the night time that the day's sales are tabulated and at the same time cross-checked. The night is a quieter period for the front office staff with the least amount of guest interaction. This task is performed at the front office by the night auditor. He is, in fact, a person who acts as an internal auditor for the whole day's financial transactions.

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**3.2 FUNCTIONS OF NIGHT AUDIT :**

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Night audit is the audit process of taking account of the day's work. In other words, it is the action of checking and confirming that whatever transactions have been done through the day is correct and complete. Any errors made during the day of transaction posting can be rectified during this time. Accounts such as rooms, food and beverages, taxes, phones and others are amended, and each account is balanced. Since the hotel business is a round-the-clock business, in hotels, the auditing is done during the night, and later it is called night auditing. In hotels functioning manually and mechanically, the best-suited time for the process is midnight as the activities are minimum during this time. In hotels operating on the computer, i.e. fully programmed system, the audit and posting can be done without upsetting the night auditing process. Hence the work of auditing can be done at any time. This work in an automatic system is mainly creating and distribution of reports, called 'Early Bird' or 'Flash' information about the previous day.

**3.2.1 Purpose of Night Audit :**

The purpose of night auditing is mainly to inform the management about the total amount of revenue generated. How much the hotel is owned by the guests, both in-house and checked-out and producing operational and management reports. The 'Early Bird' or 'Flash' reports help the accounting department to compile a more extensive daily report for posting to the general ledger. An effective night audit increases the probability of correct account settlement and avoids disputes with the checking-out guest. It verifies you posted entries to non-guest accounts. Night audit monitors guest credit limits, balance all front office accounts and sorts out any room status discrepancies.

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**3.3 ROLE OF NIGHT AUDITOR :**

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The primary function of night auditor is the responsibility of overall operations of the hotel as per the policy and procedure laid down, closing and balancing of the front office accounts recoverable. An auditor can handle 200–250 rooms typically; while with a computer, even a more massive hotel may be managed by him.

**❖ Job Description of a Night Auditor :**

1. Receive and record guests' payments.
2. Prepare a list of those accounts, which are above a specific amount/limit.
3. Make a list of walk-in guests during the day as per the policy.
4. File reports and keeping them updated.
5. Ensure all statements and vouchers on the hotel's checklist are on the general manager's table for review and approval.
3. Prepare the ageing report for city ledger and 'Hold Bucket' on every 15th.
7. Handle all internal control items concerning company policy and procedure.
8. Ensure that the hotel receives payment for goods and services sold to the guest.

Broadly the functions of an auditor include cross-checking every revenue-generating transaction of a hotel and its monetary value. He/She checks the originating revenue centre documents and their types such as cash charges or paid

outs and all front office posts to appropriate guest or non-guest accounts. Transaction summaries identify the nature and amount of the sale and form the basis of data input into the accounting system. Guest checks are part of this documentation too. A sound accounting system provides independent supporting documents to verify transactions. Night audit should cross-check room revenue information against room rates posted on the guest folio. Comparing housekeeping reports of occupied rooms and front office room rack can avoid occupancy error. The night auditor relies on transaction reports to prove that proper accounting procedures are followed. The auditor's review of daily posts reconciles front office accounts against revenue centres and departments.

❖ **Credit Monitoring :**

Various factors are instrumental in fixing the line of credit to the guest by the hotel. For example, the credit card company, credit limit, guest's credit profile (status/reputation), hotel's house credit limits, etc. At the end of a business day, the night auditor should identify all those accounts, which have either reached or exceeded their assigned credit limits. A list of all such accounts called 'High Balance Report' is made, and such accounts are called High Balance Accounts. A simple posting formula given below should be used :

$$\textit{Previous Balance} + \textit{Debits} - \textit{Credits} = \textit{Net Outstanding Balance}$$

❖ **Daily and Supplemental Transcripts :**

The word 'transcript' means a daily report showing guest's transactional activities for that day, and 'supplement transcript' refers to non-guests account. Combined, they represent all transactions for any one day and form the basis of a consolidated report. This front office accounting data is matched against department totals. The sum of charged purchases reported by various revenue-generating centres should equal the total amount of charged purchases posted to guest and non-guest accounts. An out-of-balance condition among non-guest accounts will help the night auditor detect and correct errors.

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### **3.4 TRIAL BALANCE/ ACCOUNTS RECEIVABLE :**

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When a guest uses services of a bar or restaurant, or avails of laundry facilities, or makes telephone calls, and does not pay cash, but instead signs the respective checks, such transactions are called 'accounts receivables'. These charges are examples of financial transactions where the amounts are to be received by the hotel from the guest. Similarly, this heading will also cover any previous outstanding balance of the guest, transfer of another guest's unpaid account to his/her account (with approval) and any credit card receivable. Any 'returned checks and chargebacks', (maybe a guest's previous skipper account), etc. It can further be said any credit sale of services, amenities and facilities by various departments of the accounts receivable, financial transactions. Such transactions increase the outstanding balance on the guest folio, and the hotel must maintain records of the same. Similarly, V.P.O may be put under this category, since the hotel pays these amounts on behalf of the guest and which he/she has agreed to pay later).

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### **3.5 POSTING OF ROOM CHARGES :**

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The night auditor's primary responsibility is to verify that charges have been posted to the guest ledger. To report financial data accurately, all transactions, including room rates, outlet or banquet charges and other miscellaneous charges,

must be posted correctly. This verification process will vary depending on whether the process is manual or automatic. A room rate posting report is included in the night audit report, which verifies the rates for all occupied rooms for management review. The posting of outlet/ancillary charges must be checked as well as the room rates. The food/beverage auditors usually refer to this data. Again, in a manual environment, the night audit team may post each charge to the appropriate guest ledger account.

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### **3.6 DISTRIBUTING CHARGES :**

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The night auditor should use source document to balance all revenue centre departments, i.e. balance all front office accounts against departmental transaction information. First, balance all departments and then look for individual posting errors within an out of balance department. The process of restoring departments is called 'trial balance'. It uncovers any corrections or adjustments to be made during the night audit process. Trial balance can be done before posting room and tax charges so that the trial balance is correct. If the final balance is wrong, then the error is in room and tax charge. In case of a mechanical system, the posting machine will run a D-report. The night auditor's D-report reflects a typical day's guest debit (Dr.) and credit (Cr.) activities in the following sequence.

- Items marked as 'A' are the machine printed totals or the memory totals of the debit (Dr.).

❖ **Departments :**

- Items marked 'B' are the machine printed totals of the credit (Cr.) departments. Any corrections listed on the correction sheet are added up by the departments, written in the correction column of the report and deducted from the machine totals. The result is the net total.
- Item marked 'C' is the net day's difference – total debit (Dr.) reduced by the total credit (Cr.).
- Item marked 'D' is the figure of opening debit (Dr.) balance taken from yesterday's D-report and represents the total of all guests' accounts at the beginning.
- By adding 'C' and 'D', the net outstanding result is calculated. It represents the total of all guests' accounts.
- Item marked 'E' represents the last two total amounts and is the machine additions to the final balance on each folio for both transit guests and city ledger accounts.

The night auditor can declare the audit balance when both amounts of net outstanding are identical. Besides, the night auditor may include the calculation of specific statistics such as room occupancy, average room rate (ARR), average revenue per available room (total room revenue/ number of rooms available for sale) and the compiling of the summary report for management.

This report shows the total amount of charge posted to the guest account by departments. Many times the trial balance does not tally due to errors in communication or posting of the amount.

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### 3.7 AUDIT PROCEDURE CREDIT :

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❖ **Credit Monitoring :**

Factors such as credit card company, credit limit, guest's credit profile (status/reputation), hotel's house credit limits, etc. are instrumental in fixing the line of credit with the guest by the hotel. At the end of each business day, the night auditor should identify each account, which has either reached or exceeded their assigned credit limit. A list of all such accounts called 'High Balance Report' is made, and such account is called High Balance Account. A simple basic posting formula given below should be used :

$$\text{Previous Balance} + \text{Debits} - \text{Credits} = \text{Net Outstanding Balance}$$

❖ **Credit Security Measures :**

1. For a walk-in guest with light or little baggage or a questionable character, ask for at least three days' advance and inform various sections not to give any credit to the guest. The notification slips may have abbreviation A.P.C. (all payment cash). It is done through the property management system in hotels wherein there is an option of marking the guest as a "no post" which means that no department can post any charges in the guest folio. They must collect cash from the guest in these circumstances.
2. The front office must list such a guest's accounts for credit investigations and the payment of these charges –
  - Where the guest, after registering and within the first few days' shows unusual accumulations of charges.
  - When the guest's account reaches a specific limit previously set by the hotel.

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### 3.8 OTHER DUTIES OF NIGHT AUDITOR :

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In case of small and medium-size hotels, the night auditor, in addition to his regular duties may also act as night manager or night receptionist and may be required to perform the functions of the 'graveyard' shift. He usually works from 11.00 p.m. to 8.00 a.m. (next day). A particular hour called as End of the Day- (which is an arbitrary stopping time of business), is fixed. Usually, the night audit begins at 1.00 a.m. and also the hotel business day ends at 1.00 a.m. Typically, the period from 1.00 a.m. (when the audit work starts) to the time when audit work is completed is called Audit Work Time. Any transactions during this period are posted in the next business day. The night audit process is complete when the totals for guests, non-guests and departmental accounts are 'In Balance' or proven correct and is not showing any 'Out of Balance' position (a condition when charges and credits posted to guests and non-guests accounts during the day don't match with the ones posted on to the individual revenue source)

❑ **Check Your Progress – 1 :**

1. \_\_\_\_\_ is the audit process of taking inventory of the day's work.  
(A) Night Audit (B) Inventory (C) Counting (D) Stocktaking
2. \_\_\_\_\_ reports help the accounting department to compile a more extensive daily report for posting to the general ledger.  
(A) Daily transaction report (B) 'Flash'  
(C) Arrival report (D) Departure report

3. The primary function of night auditor is \_\_\_\_\_ of accounts receivable for the day.  
(A) closing (B) opening (C) auditing (D) all the above
4. \_\_\_\_\_ + Debits – Credits = Net Outstanding Balance.  
(A) Credit (B) Debit  
(C) Previous Balance (D) None of the above
5. For a walk-in guest with light or scanty baggage or a suspicious character ask for at least \_\_\_\_\_.  
(A) three days' advance (B) full prepayment  
(C) one day advance (D) advance not required

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### **3.9 LET US SUM UP :**

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**In this unit, we covered :**

- The role of the night auditor
- Functions of the night audit.
- Distribution of charges

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### **3.10 ANSWERS FOR CHECK YOUR PROGRESS :**

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**□ Check Your Progress 1 :**

1. (A), 2. (B), 3. (C), 4. (C), 5. (B)

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### **3.11 GLOSSARY :**

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**Credit** – An entry that records a sum received, listed on the right-hand side or column of an account.

**Debit** – An entry that records a sum owed, listed on the left-hand side or column of an account.

**Transactions** – exchange of cash or credit for services purchased

**House Limit** – A guest credit limit established by the hotel's management

**Trial Balance** – A list of all the general ledger accounts (both revenue and capital) contained in the ledger of a business.

**Accounts Receivable** – Amounts due to the hotel

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### **3.12 ASSIGNMENT :**

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Spend a night with night auditor and understand the night audit process of a hotel.

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### **3.13 ACTIVITIES :**

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**Suggested Guest Speaker**

Take an interview with front office auditor from a local hotel to discuss :

- The system the property uses to perform the front office audit
- The typical sequence of front office audit tasks
- The significant reports and summaries involved
- How he/she perceives the role of the front office auditor

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### 3.14 CASE STUDY :

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Hotel Himalayan Retreat is located in the beautiful surroundings of the Himalayan foothills. It has 200 rooms, which include standard rooms, deluxe rooms, holiday cottages, and luxurious cottages. The hotel also has facilities of adventure sports like trekking and rock climbing. There is a big banquet hall to accommodate 700 persons in theatre-style seating. It targets business clientele.

However, things changed when Hotel Mountain Haven opened last year. The facilities are similar to that of Hotel Himalayan Retreat, but additionally has a golf course, convention centre with a capacity of 1500 persons in theatre-style seating, and a water park. After the opening of Hotel Mountain Haven, there has been a considerable fall in the business of Hotel Himalayan Retreat. The general manager, Mr Bakshi, tries to find out the reasons behind the fall in business.

There were only three persons in the hotel's sales and marketing department. He appointed six more persons with Anand as the sales manager. Anand and Mr Bakshi asked the night auditor of the hotel to provide financial details of the hotel so that they can formulate a marketing plan to re-capture their market share. Assuming you are the night auditor of the hotel :

1. List the sources of information available to you to provide the information requested by Mr Bakshi.
2. Develop a daily report of the hotel, showing relevant information requested by the general manager.
3. List the reports that will be prepared by you.
4. Discuss the role of the night auditor in connection with the vital information generated by him to help the management formulate future strategies to combat any business problem that may arise, as in the given case.

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### 3.15 FURTHER READING :

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1. Managing Front Office Operations – 10e – Michael L. Kasavana
2. Professional Front Office Management – 2e – Robert H. Woods et al





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**UNIT STRUCTURE**

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 Management Functions
- 4.3 Establishing Room Rates
- 4.3.1 Method of Room Rates Determination
- 4.4 Forecasting Room Availability
- 4.5 Budgeting For Operation
- 4.6 Evaluation of Front Office Operation
- Check Your Progress 1
- 4.8 Let Us Sum Up
- 4.8 Answers For Check Your Progress
- 4.9 Glossary
- 4.10 Assignment
- 4.11 Activity
- 4.12 Case Study
- 4.13 Further Reading

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**4.0 LEARNING OBJECTIVES :**

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In this unit, we have discussed the management functions and the method of establishing room rates, forecasting room availability and preparing the budget for daily operations.

**After completing this unit, you would be able to :**

- State the management function of front office
- Explain the ways of establishing room rates
- Forecast room availability
- Discuss the importance of budgeting
- Evaluate front office operations

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**4.1 INTRODUCTION :**

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This unit deals with the management functions of the front office. Planning is an important management function without which the front office cannot achieve its goals. Although the daily activities may appear to be routine, much organisation goes into its proper execution. At the same time, it is essential to ensure objectives are met, i.e. the management needs to evaluate and monitor daily activities continuously.

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**4.2 MANAGEMENT FUNCTIONS :**

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A hotel has varied functions to be performed by staff in different departments. Each department, in line with its role, develops a system to organise and manage its staff and the tasks they perform. These individual departments come together to attain the goals set by the hotel's management. The front office department has sections that deal with reservations, reception, billing and payments. The first contact guests have in a hotel is with the front office department, whether over the telephone or in person. In keeping with its specific nature of duties, the front office has various managerial functions to perform. Each staff of front has indefinite duties and responsibilities, but hereunder, we may consider some of the officials to outline their role briefly. Management functions include planning, organising, directing, coordination, controlling and evaluating.

**❖ Planning :**

The front office planning involves a three-step procedure :

- Collect information/data to chalk out broad policies relating to room occupancy, standards of service, types of discounts, package deals and staff records.
- Develop a blueprint for the structure and flow of activities for planning to be actionable. Departmental goals for occupancy and guest satisfaction can only be achieved with a well-oiled system of operations.
- The investment decision is a vital part of planning. The front office should plan for expansion and modernisation.

**❖ Organising :**

Putting resources and activities into the right system, within the structural and financial contract of an organisation.

- Segmentation of activities at the front office – looking into the nature of duties to be performed, they are broken down into reception, registration cashier, bell desk, telephone operator, doorman and valet.
- Each unit is empowered with authority and the power to delegate thus enabling it to perform at its optimum efficiency.
- Identification of staff skill and allocation of tasks effectively – for example, a person with good communication skills would handle enquiries.
- Each unit must be provided with adequate resources to perform its functions.
- The legal distribution of workload, making rosters with proper breaks and day-offs to avoid stress and fatigue.

**❖ Directing :**

The front office employs several employees to carry out various operations. They need to be adequately trained to complete their tasks. Training is achieved by instructing, guiding, supervising, teaching and reviewing.

- **Instructing :** The front office manager gives clear instructions to the team to carry out plans for the department. These instructions may be written or verbal.
- **Guiding :** The objective of guiding is to make the staff achieve the standard of performance expected.

- **Supervising** : Supervision involves keeping a watch on the staff work and correcting them from time to time.
- **Teaching** : The practices and procedures to be followed must be thorough and demonstrated to the employees.
- **Reviewing** : The operating system and the performances must be reviewed from time to time.

❖ **Coordinating** :

Front office department must work in close relation with almost all the other departments whilst ensuring coordination amongst its staff members. Coordination is a vital management function to bind together and harmonise all activities of the department.

❖ **Controlling** :

Control is a necessary managerial function performed to increase the utility of all the available resources, monitoring any deviation and take corrective action.

❖ **Evaluating** :

A critical management function, which involves comparing actual results with expected results. Evaluation of activities and staff may be conducted.

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### **4.3 ESTABLISHING ROOM RATES :**

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Determining room rates and price structure of various products may be considered in two different settings – existing hotels and hotel yet to be opened. In an existing hotel, there usually is background information available based on which room rates and price structure may be decided. In contrast, in the case of a new hotel, a mechanism for pricing may have to be developed. There is no relationship between the price of a hotel room or food and beverage operation and its volume of sales. However, the volume of sales will (in most cases) fluctuate from one day to another and often shows a seasonal trend. The volume of sale, in the long run, will generally be higher when the prices are lower and vice-versa. Over a more extended period, therefore, the lower the price level of the establishment, the higher usually its volume of sales and conversely, the higher the level of charges the lower the volume of sales."

#### **4.3.1 Method of Room Rates Determination :**

Mainly two methods of room rates determination are used – Rule of thumb and Hubbart's Formula.

- Rule of thumb – A very traditional way of charging room rate. In this system "One Rupee" rate is fixed for every Rs. 1000/- spent on room construction cost.
- Hubbart's formula – The formula considers the following :
  - o The operational costs/expenditures and include a certain percentage of returns on land and building and another percentage on hotel maintenance capital.
  - o Deduct from the above cost the incomes received through rentals, food and beverage sales and other miscellaneous sales.
  - o Divide the remaining for charging room rates by the projected number of rooms occupied. A practical example of the calculation of average room rate with the help of Hubbart's formula is given below.

**Front Office Management**❖ **Investment :**

Cost of Land, Building, Furniture	Rs. 37,60,00,000
Fixtures Working Capital	Rs. 2,40,00,000
Total Investment	Rs. 40,00,00,000
Financing of Investment	Rs. 32,50,00,000
Debt at 10% Interest Equity	Rs. 7,50,00,000
Total Financing	Rs. 40,00,00,000
Projected Number of Rooms Occupied (75% Occupancy)	Rs. 60,000
Desired Return on Equity at 15%	Rs. 1,50,00,000
Income Taxes at 50%	Rs. 1,50,00,000
Required Profit before Income Taxes	Rs. 3,00,00,000
Interest Expense (Rs. 32,50,00,000 at 10%)	Rs. 3,25,00,000
Required Profit before Interest and Taxes	Rs. 6,25,00,000
Estimated Depreciation, Municipal Taxes and Insurance Required	Rs. 3,75,00,000
House Profit	Rs. 10,00,00,000
Budgeted Deductions from Income	Rs. 3,30,00,000
General and Administrative Expenses	Rs. 3,30,00,000
Advertising and Sales Promotion	Rs. 2,60,00,000
Heat, Light and Power	Rs. 86,00,000
Repairs and Maintenance	Rs. 1,24,00,000

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Total	Rs. 8,00,00,000
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Required Gross Operating Income	Rs. 18,00,00,000
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❖ **Estimated Departmental Profit Excluding Rooms :**

Food and beverage	Rs. 2,95,00,000
Telephone	Rs. 45,00,000
Laundry	Rs. 40,00,000
Others	Rs. 1,20,00,000
Total	Rs. 5,00,00,000
Required Rooms Department Profit	Rs. 13,00,00,000
Estimated Rooms Department Expense	Rs. 25,00,000
Required Rooms Department Revenue	Rs. 13,25,00,000
Hence, the Required Average Room Rate	Rs. 2,208

(Rs. 13,25,00,000 / 60,000)

A modified formula for calculation of room tariff

❖ **Formula :**

(a) All operating and overhead expenses under appropriate heads including depreciation (excluding initial depreciation on hotel building, if any) are calculated using the straight-line method as permitted by Section 205 (2) (b) of the Companies Act, 1956 subject to the condition that the method once adopted is consistently followed in the subsequent years.

- + Actual interest accrued for the period on all borrowings.
- + A net return of 15% on the net fixed assets (without revaluation).
- + Net working capital. Loans, both short term and long term. Investment in other activities, after allowing for the national income tax liabilities.
- + A pre-tax return of 10% on long-term borrowings only.

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#### **4.4 FORECASTING ROOM AVAILABILITY :**

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If a hotel wants to take effective action in circumstances of relocating a guest during full occupancy, it must be able to forecast the final level of bookings. One way of doing this would be to take each market segment. However, experience suggests that the best approach is to try to predict the total number of guests expected and then break this down into different segments in the light of previous experience. Since this 'top down' approach is working with larger numbers than those for any individual segment, it tends to be more successful. The simplest of the forecasting techniques is 'time series analysis'. It tries to smooth out the inevitable random fluctuations by assuming them equal to the average of the equivalent nights in the past. However, there is not much point in considering more than three or four years because circumstances change so much that earlier figures become irrelevant. An analysis which always uses the most recent set of nights is known as a 'moving average forecast'. The equation for a four-year moving average for demand next year is as follows :

$$F(y + 1) = \frac{D(y) + D(y - 1) + D(y - 2) + D(y - 3)}{4}$$

Where : y is the current year, F is the forecast demand and D is actual demand for the equivalent night in the year indicated.

The moving average approach suffers from the disadvantage that it gives equal weight to each of the years in the calculation, including the one furthest away from the present day. A technique called 'Exponential smoothing' can be used to produce forecasts considering the most recent results. The formula is as follows :

$$F(y + 1) = \phi D(y) + (1 - \phi)F(y)$$

Where : y is the current year

F is forecast demand D is actual demand for the equivalent night in the year indicated, and  $\phi$  is a 'smoothing constant' between  $\phi$  and 1 (e.g. 0.1)

The effect of the smoothing constant is to emphasise the most recent results. The larger it is, the more weight is given to that result. There are many other statistical techniques, some of them very sophisticated, but we do not propose to deal with them here because their use is limited as far as hotels are concerned. The problem such establishments face is that because demand is not only seasonal but varies from one day of the week to another, the only real basis for analysis is the same night last year the year before and the year before that.

Each night in the series is thus twelve months apart, and a lot can happen in that period. For example, there can be :

- Changes in the economic environment, such as booms or slumps.
- Fluctuations in exchange rates.

## Front Office Management

- Security threats, whether real or perceived.
- 'One-off' local events, such as major exhibitions.
- The marketing activities, such as advertising campaigns or special promotions.
- A change in the competitive position, such as the opening of a significant new hotel nearby.

These considerations limit the effectiveness of purely statistical techniques. Because of this, it is more usual to combine their predictions with what are called 'judgmental' inputs to produce the final forecast. It is usually done by a yield management team of two or three senior staff, including the front office or reservations manager and the sales manager. The team's task is to look at whatever forecast the statistical techniques might have produced and then modify this in the light of new factors like the ones listed above.

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### 4.5 BUDGETING FOR OPERATION :

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Budgeting refers to the formulation of a plan for future activity, which lay down carefully constructed objectives and programs of activities and provides a yardstick by which deviation from planned achievement can be measured.

#### ❖ Essentials for successful budgeting :

1. The objectives to be achieved must be determined.
2. The budget period must be fixed.
3. Key facts like sales, availability of equipment, raw material etc. must be determined.
4. Ideas and suggestions from those responsible for the budget should be taken.
5. The primary responsibility for the administration of the budgeting programme is usually delegated to an executive known as the budget officer/budgetary controller. He may be the controller or chief accountant, or cost accountant or an official specially appointed for the task. His duties will include the following :
  - o To coordinate the efforts of all those engaged in preparing budgets.
  - o To help draw up a budget in time and if necessary, to change them.
  - o To collect data on actual costs and compare them with the budgeted performance.
  - o To feedback information concerning significant deviations from the budget preparation of budgets.

In preparation of the budget, the whole hotel operation is divided, and cost and profit centres need to be established. It will fix responsibility on the individual for the control of each item of income and expenditure. Each departmental head is involved in the budgeting of his area. He becomes aware of his responsibility and the part he plays in the over a plan of the business. He feels involved committed and motivated. Control is exercised at the source and will include the delegation of duties and liaison between the different functions of business for success. The manager must involve his staff, motivate them and seek a teamwork approach. The starting point for the process of budgeting is the determination of the profit target. Budgetary control is the best system through which the profit target is achieved.

---

#### **4.6 EVALUATION OF FRONT OFFICE OPERATION :**

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It is essential to evaluate all aspects of a department at specific intervals. It is done to check whether the department has achieved its goals effectively. The front office compares the actual results, like room sales, occupancy, average room rate (ARR) with the expected one and to what extent it has attained them. Evaluation can be done in various ways, such as :

1. Staff appraisal, where the performance of the staff is evaluated to determine their efficiency of work.
2. Appraisal of working conditions and systems regarding front office operations.
3. Evaluation of sales of different type of rooms.
4. Evaluation for profitability involves estimates of sales, costs and profit figures.

**❑ Check Your Progress – 1 :**

1. \_\_\_\_\_ is developing a blueprint for the structure, flow of activities so that the planning details can be transitioned into action.  
(A) Coordinating (B) Controlling (C) Planning (D) Evaluating
2. \_\_\_\_\_ is putting the resources and activities into the right system within the structural and financial contract of an organisation.  
(A) Coordinating (B) Organising (C) Planning (D) Evaluating
3. Instructing, guiding, supervising, teaching and reviewing is part of \_\_\_\_\_ part of the management process.  
(A) Directing (B) Organising (C) Planning (D) Evaluating
4. \_\_\_\_\_ is working in close relation with all the other departments and at the same time having to coordinate amongst its section.  
(A) Coordinating (B) Organising (C) Planning (D) Evaluating
5. \_\_\_\_\_ increasing the utility of the available resources, monitoring any deviation and take corrective action.  
(A) Coordinating (B) Controlling (C) Planning (D) Evaluating
6. Comparing actual results with, expected is \_\_\_\_\_ management function.  
(A) Coordinating (B) Controlling (C) Planning (D) Evaluating
7. A very traditional way of charging room rate is that "One Rupee" rate is fixed for every Rs. 1000/- spent on room construction cost. This method is called \_\_\_\_\_.  
(A) Hubbart's Formula (B) Market condition approach  
(C) Rule of thumb (D) None of the above
8. \_\_\_\_\_ refers to formulation of plan for future activity.  
(A) Evaluation (B) Recruiting (C) Goal setting (D) Budgeting
9. \_\_\_\_\_ is done to check whether we have achieved our set goals efficiently.  
(A) Evaluation (B) Recruiting (C) Goal setting (D) Budgeting

---

#### 4.7 LET US SUM UP :

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**In this unit, we :**

- Stated the management function of front office
- Discussed the ways of establishing room rates
- Explained forecasting of rooms availability
- Pointed out the importance of budgeting
- Analysed evaluation of front office operation

---

#### 4.8 ANSWERS FOR CHECK YOUR PROGRESS :

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❑ **Check Your Progress 1 :**

1. (C), 2. (B), 3. (A), 4. (A), 5. (B), 6. (D), 7. (A), 8. (C), 9. (A)

---

#### 4.9 GLOSSARY :

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**Planning** – Planning is how to do a work, when to do the work and who will do this work.

**Organising** – Organising is a management process that refers to the relationship between people, work and resources that is used to achieve goals.

**Directing** – Directing is a process by which managers instruct, guide and overview the performance of workers of a company to achieve goals.

**Staffing** – Staffing is like a function or term that refers to recruitment, selection, acquiring, training, appraising employees.

**Coordinating** – Coordination ensures the unity of action among individuals, department and groups in carrying out the different tasks as to achieve the organisational goals properly.

**Controlling** – Controlling is a continuous and forward-looking process which is the standard of measurement of a company or organisation.

**Evaluating** – Evaluation is a process that censoriously examines a program. It involves collecting and analysing information about a program's happenings, characteristics, and results.

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#### 4.10 ASSIGNMENT :

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Consider inviting a guest speaker to this class session. An appropriate speaker would be the front office manager from a local hotel to discuss :

- Competitive set
- Reports used to set room rates
- Budgeting process
- Information needed for budgeting
- Accuracy of past budgets
- Reasons for budget variances revealed through analysis.



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#### **4.11 ACTIVITY :**

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❖ **Web Activity :**

Assume you are a manager at a hotel with 300 rooms, a food and beverage outlet, and several meeting rooms. Search the web for room rates of similar hotels in the area and set up room rates based on the market condition approach. Share your findings with other students.

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#### **4.12 CASE STUDY :**

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Visit three hotels in your town and compare the following :

1. Number of guest rooms
2. Facilities and services offered by the hotel
3. Rack rates
4. Volume guarantee rate
5. Weekday and weekend rates
6. Package rates.

---

#### **4.13 FURTHER READING :**

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1. Managing Front Office Operations – 10e – Michael Kasavana
2. Professional Front Office Management – 2e – Robert H Woods, Jack Ninemeier, David Hayes & Michele A Austin



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**BLOCK SUMMARY :**

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In this block, we learned about the four stages of a guest stay. The guest chooses a hotel in the pre-arrival step. The arrival stage includes registration and rooming function. During the occupancy stage, the FO provides the guest with services, information and supplies. Other services and accounting aspects are completed during the departure.

Further, we also learned that the activities carried out before the guest arrival - that ensure the speedy check-in of the guest - are termed as pre-registration activities. That includes preparation of arrival list, the printing of GRC, availability status, amenities voucher and few others.

We also learned about the unit of the role of night auditor, his duties and responsibilities. The distribution of charges and how night audit is done is also mentioned in the night audit. We stated the management functions from FO points of view. Discussed various management aspects in terms of establishment of room rates, forecasting, budgeting in the front office and how the front office operations are evaluated.

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**BLOCK ASSIGNMENT :**

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❑ **Short Answer Questions :**

1. Explain in brief the process of Night Audit.
2. Explain in brief the process of Night Audit.
3. What do you mean by time series analysis ?
4. State the ways of evaluating the work of a department.

❑ **Long Answer Questions :**

1. Broadly outline the functions of Night Auditor.
2. Explain the term "Accounts Receivable."
3. What are the charges that are verified during the Night Audit ?
4. Explain Trial Balance.
5. What do you mean by High Balance Report ?
6. When is the process of Night Audit complete ?
7. List and define each management function.
8. Explain Hubbart's Formula.
9. State any three essentials of successful budgeting.

# **FRONT OFFICE MANAGEMENT**



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**ISBN 978-81-945630-7-5**

**Edition : 2020**

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The content is developed by taking reference of online and print publications that are mentioned in Bibliography. The content developed represents the breadth of research excellence in this multidisciplinary academic field. Some of the information, illustrations and examples are taken “as is” and as available in the references mentioned in Bibliography for academic purpose and better understanding by learner.’

## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# FRONT OFFICE MANAGEMENT

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### **BLOCK 3 : PUBLIC RELATIONS, QUALITY SERVICE AND GUEST COMPLAINT HANDLING**

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#### **Unit 2 Front Office and Guest – Delivering Quality Services**

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#### **Unit 3 Guest Services and Handling Guest Complaints**

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#### **Unit 4 Communication and Front Office**

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## ***Front Office Management***

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### **BLOCK 3 : PUBLIC RELATIONS, QUALITY SERVICE AND GUEST COMPLAINT HANDLING**

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UNIT 1 PUBLIC RELATIONS

UNIT 2 FRONT OFFICE AND GUEST – DELIVERING QUALITY  
SERVICES

UNIT 3 GUEST SERVICES AND HANDLING GUEST COMPLAINTS

UNIT 4 COMMUNICATION AND FRONT OFFICE

# ***PUBLIC RELATIONS, QUALITY SERVICE AND GUEST COMPLAINT HANDLING***

## **Block Introduction :**

Communication between these groups should be controlled so that conflicts minimise. Hence, for the purposes mentioned above, good Public Relation is required, and thus, it has been recognised as an excessively critical function.

Public relations monitors, surveys and researches issues and happenings in the environment. It advises the organisation so that its policies are updated and in line with the expectations of its publics.

This block defines the types of human relations skills that active front office personnel use to satisfy their guests consistently. The need for responding to guest requests after check-in. They must demonstrate necessary telephone skills as reservations are taken and as guests contact the front office during their stay.

## **Block Objectives :**

**After going through this block, you should be able to :**

- Explain the role of public relation in a hotel.
- State the qualities of a public relation officer.
- Discuss the role of public relation in the tourism sector.
- Point out public relation tactics.
- Differentiate between internal public relation and external public relation.
- Defend the importance of making an excellent first impression on guests who are reserving a room or arriving at the hotel.
- Review the do's and don'ts of exchange between front desk agents and guests when taking a phone reservation and at times of guest registration and check out.
- Discuss shared situations that provide guest service opportunities for front desk agents.
- Discuss the need for and conventional means used to assess guests' perceptions about hotel services.
- The importance of Guest Services
- Handling guest mails, messages, and keys.
- Procedure for guest paging and guest room change
- Handling left luggage and wake up calls.

- Resolving guest complaints
- State the importance and different types of communication.
- Discuss the role of communication in fulfilling front office responsibilities.
- Describe the use of communication records such as logbook and information directory.
- Explain the telephonic guest services provided by the front office and telephone etiquette.
- Track the handling of hotel mail.
- Discuss the communication between the front office and other departments of the hotel.

**Block Structure :**

**Unit 1 : Public Relations**

**Unit 2 : Front Office and Guest – Delivering Quality Services**

**Unit 3 : Guest Services and Handling Guest Complaints**

**Unit 4 : Communication and Front Office**

**UNIT STRUCTURE**

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Public Relation and Man
- 1.3 Public Relation in Hotel
- 1.4 Qualities of A Public Relations Officer (Pro) / Guest Relations Executive (Gre)
- 1.5 Public Relation in Tourism
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- 1.6 Public Relations Tactics
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- 1.9 Answers For Check Your Progress
- 1.10 Glossary
- 1.11 Assignment
- 1.12 Activity
- 1.13 Case Study
- 1.14 Further Reading

---

**1.0 LEARNING OBJECTIVES :**

---

In this unit, you will learn about public relations.

**After going through this unit, you should be able to :**

- Explain the role of public relation in a hotel.
- State the qualities of a public relation officer.
- Discuss the role of public relations in the tourism sector.
- Describe out public relation tactics.
- Compare internal and external public relation activities.

---

**1.1 INTRODUCTION :**

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According to the Mexican Statement (adopted at the first World Congress of National Public Relations Association in Mexico in 1978) "Public Relations is the art and social science of analysing trends, predicting their consequences, counselling organisational leaders as well as planning and implementing a

programme of action that will serve the interest of not only the organisation but also that of its publics." It suggests that public relations borrow knowledge and expertise from other fields, like psychology, politics, sociology, languages, etc. Public relations is an art because it requires artistic skills, knowledge of fine arts, command of the language, writing, public speaking, etc. It is a social science because the public relation officer must deal with humans and needs to understand and predict human behaviour using social scientific instruments. It attempts to understand the environment and relates to it accordingly.

Public relations is tasked with monitoring, surveying and researching issues and happenings in the environment. It advises an organisation to update its policies in line with the expectations of the public.

This unit describes the components of Public relations, the internal and external publics of the organisation and the importance of public relations in an organisation and it also elaborates about the tools used for public relations and in this unit, we have discussed the traits of public relation officer.

---

## **1.2 PUBLIC RELATION AND MAN :**

---

Public relations influence the presentation of the personal image of an organisation. It also includes action to discover and eliminate sources of misunderstanding. The public relation officer must also possess qualities like self-confidence, diplomacy, good manners, clear communication, personal appearance, ability to remember faces and names. Public relations also help to design the image of the tourism industry to create a more favourable climate.

### **❖ Conclusion :**

- Public relations include everything that is calculated by mutual understanding between the organisation and its public.
- Public relations influence the presentation of the personal image of an organisation to its public.
- It includes activities to discover and eliminate sources that create misunderstanding.
- Public relations help to build ties and influence our target customers.

---

## **1.3 PUBLIC RELATION IN HOTEL :**

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Public relations have many objectives to achieve in the hotel industry. One can use any one of them or any group of them or all of them for an organisation, which will be helpful for a public relations program. Professional public relations directs every activity towards reaching a selected objective.

Hence the following are essential roles that are achieved by public relations, in the hospitality industry.

- To create and build a favourable image of a hotel to its public (guests, tour operators, travel agents)
- Promotion of hotel products, resources and events are done through public relations.
- Public relations help to create goodwill of the employees for themselves.
- Fostering goodwill and communication of sections in which the organisation has its unit.

- Public relations create goodwill of stockholders, and it is constituted in the industry.
- Public relations overcome misconception and prejudice.
- Public relations create goodwill with suppliers.
- It helps to create goodwill with other institutions.
- Goodwill of the rest of the industry or the competitions.
- Goodwill of dealer and attention of other dealers.
- Ability to attract the best personnel.
- Educate the public to use products and services.
- Educate and to make the public aware of the products and facilities of a hotel to its target customers.
- Investigation of the attitudes of various groups towards a company.
- Goodwill of the customer and supporters
- Formation of strategies for the present and future policies of an organisation.
- Directing the course of change in an organisation.

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#### **1.4 QUALITIES OF A PUBLIC RELATIONS OFFICER (PRO) / GUEST RELATIONS EXECUTIVE (GRE) :**

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A guest relations executive (or guest relations manager), guarantees the comfort, safety and satisfaction of patrons at hotels and resorts. A guest relations executive assists the hotel manager by supervising employees in the areas of customer service, housekeeping and administration. He/she is expected to address and resolve problems or concerns regarding guest accommodations or guest service with charm and professionalism.

In a hotel, a public relations officer (PRO) /guest relation executive (GRE) must supervise staff and look after customer service. A guest relations executive is expected to offer personal attention to guests designated as dignitaries by his/her superiors. The GRE/PRO should personally contact these guests at least once a day during their stay and personally inspect their rooms daily to make sure they are well stocked and in good condition. He/she is expected to have a good understanding of all hotel's policies and procedures, including those related to hotel safety and evacuation procedures in case of emergencies. A GRE typically prepares daily, weekly and monthly reports for review by the hotel manager and other executives.

A hotel usually fluctuates between being busy when guests are checking in or out and serene and quiet in the interim. A GRE spends a good part of his/her workday walking through public areas of the hotel to spot potential areas of contention and prevent them from escalating. A guest relations executive must periodically return to his desk to complete paperwork and handle hotel correspondence. A guest relations executive's attire usually is business-like and fashionable. Working hours could be long and may include some nights and weekends.

1. **Self Confidence :** It is one of the most important traits needed in a public relation officer because the PRO must meet people from different groups, organisations and institutions. He/she should be able to deal with other people from various sectors with equal ease and with confidence.

## Front Office Management

2. **Diplomacy** : Diplomacy is the most significant attribute needed by a PRO, as very often, there are situations where a person is in an irritated mood, and diplomatic dealing helps to act as a diluting effect on the moment.
3. **Good Mannerisms** : PRO is a person who represents his office organisation and must meet many people, including social, political and VIPs. He/she should be able to deal with them politely with good mannerism to project the right image of the organisation as well as himself.
4. **Clean and correct communication** : A PRO should be well versed and fluent in the language. He/she should have a command over the local language and one foreign language, including English, which is a critical factor. It will help in dealing with confidence and convey clear messages.
5. **Personal Appearance** : PRO should look professional and impressive for that he/she should maintain their uniform and dress clean and well ironed. He/she should be well-groomed, with good personal hygiene. Nails should be trimmed, hair to be tied properly (for lady PROs) and neat (for male PROs). Keep body odour in check to avoid driving the guest away and creating a wrong impression about oneself and the hotel.
6. **Ability to remember face and name** : A PRO encounters many people, whom he/she should be able to recognise by face and name as it gives a personal touch to your conversation also the person feels good.
7. **Knowledge** : A PRO should have complete knowledge about the goods and services he/she is selling or promoting. He/she should be aware of market policies and the image of the hotel in the market. This knowledge helps in giving suggestions for various regards of customer's anticipations, their complaints etc. He/she should also be aware of new market policies to attract potential customers.
8. **Time management** : As the PRO/Guest relation assists the hotel manager in the operation of many areas of the hotel or resort, his/her skills in project coordination and time management must be excellent. His / her focus should be guest comfort, although he/ she may be required to help wherever he /she is needed. The ability to quickly

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### 1.5 PUBLIC RELATION IN TOURISM :

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Public relations is involved in designing the image of the tourism industry. Public relations is the art of implementing two-way communication and understanding between two companies and its groups with which it is concerned in the course of its operation.

In the field of tourism, the need is to make complete information available to the tourist. It involves factors to create and improve the image to tourist product. Through news media, favourable acceptance for every tourist destination by the public can be made. In other words, no other business is more concerned with PR than tourism. It is also an essential factor in creating and maintaining a positive image for the country and its tourist destinations. Public relations is also oriented toward creating a destination.

For a tourist destination, the objective of public relations may be divided into two parts.



1. Parting and distribution of information.
2. Creating a favourable image to the tourists.

What a public relations professional should know.

- It is hard to listen but easy to talk.
- Hard to agree easy to argue
- Hard to remember easy to forget.
- Hard to see the whole picture easy to highlight a small section it.
- Hard to co-operate with others on common problems.
- Easy to attack the other and thus make the problem

**❑ Check Your Progress – 1 :**

1. Public relation influences presentation of personal image of an \_\_\_\_\_.  
(A) Organisation (B) Person (C) Employees (D) All the above
2. \_\_\_\_\_ overcomes misconception and prejudice.  
(A) Advertisement (B) Counselling  
(C) Public relations (D) None of the above
3. \_\_\_\_\_ guarantees the comfort, safety and satisfaction of patrons at hotels and resorts.  
(A) Concierge (B) Housekeeping  
(C) Waiter (D) Guest relationship manager
4. As PR Officer meets different people and he should \_\_\_\_\_ to create a positive impression  
(A) Have knowledge (B) Have a good personal appearance  
(C) Remember faces and names (D) All the above
5. PR professionals should remember that it is easy to agree and hard to argue.  
(A) True (B) False

---

**1.6 PUBLIC RELATIONS TACTICS :**

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1. As part of its internal public relations activity for personnel development, it communicates with employees through a variety of internal newsletters and meetings with staff or department heads.
2. Coordinating relationship with electronic print media, which include arranging of a related promotional interaction media enquiry. A good deal of media relations is spent attempting to gain favourable news converges for the firm/hotel.
3. Organising interaction with community open houses, travel agents and employees.
4. Managing relations with the internal community, including the firm's present and potential stockholder.
5. Supporting activities with customers and potential customer, ranging from hard shell product promotion to staff consumer advisory services.
6. Co-coordinating with institutions through reprints of speeches, annual reports quarterly statement product and company, brochures.

## **Front Office Management**

7. Coordinating relationship with outsiders such as suppliers, dealers, non-profit organisations and competitors.
8. Managing the image of the organisation.
9. Coordinating the photographic services of the organisation to do this work or task well, public relations staff is required to possess knowledge of topography layout and art.
10. Conducting opinion for a researcher, which involves in the assisting in the public policy through coordination and interpersonal studies of the key public ?
11. Managing the gift and evaluating philanthropic proposals and allocating the organisations available resources.
12. Co-coordinating special events with travel companies, such as their celebrations exhibitions dinners and general meetings
13. Public relations counselling involves addressing administrator, on alternative options and recommend choice, in the light of public responsibilities.

### **❖ Tools of Public Relation :**

- Printed Words (Print Media)
- Spoken Words (Broadcast Media)
- House Journal
- Handbook & Booklets
- Meetings & Mass meetings
- Letters
- Group Discussion
- Hoarding and Boards Workshops
- Posters
- Seminars
- Annual Reports
- Public Address System
- Press Conference
- Audio-visuals
- Traditions Media aids such as –
- Photographs
- Puppets
- Visuals Dances
- Exhibitions Songs
- Film Drama
- Transparencies Village activities
- Motions Picture Roadshows
- Information Technology
- Computers\Internet

- CDs
- Radio Paging
- Tele Conferencing

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## **1.7 PUBLIC RELATIONS AND INTERNAL, EXTERNAL PUBLIC RELATIONS :**

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The famous proverb says that charity begins at home, holds for the PR department in an organisation. Any company, which wants to establish itself very successfully on the public relation scenario, must first achieve corporate level help from its internal public. No company can be successful from outside; if its internal public is not in agreement with its policy's decisions and implementation. A public may be defined as any group that has an actual or potential interest or impact on an organisation's ability to achieve its objectives.

### **1.7.1 Internal Public Relations :**

Depending upon its functioning accordingly. This public may be a part of the organisation, or it may be outside the organisation. Their formal and informal influence is to be always kept in mind while conducting the company's affairs.

❖ **The internal public can be classified in the following category.**

An investor is the one who has a financial stake in the company either as shareholders or as long term or short-term creditors.

❖ **Employees :**

Employees are also part of the internal public of an organisation. A company needs their co-operation, understanding and support in all its activity, including the PR.

❖ **Suppliers :**

Suppliers provide raw material to the hotel. The raw material is processed by the company depending upon its technology and converted into a finished product; the company sells this finished product at a higher price than the cost of raw material. Therefore, suppliers have a direct and crucial role in functioning and profitability because they and its business associates help to make a profit.

❖ **Distributors :**

Distributors are the link between a company and its dealers/retailers. They perform the vital task of merchandising a product of the company from one place to another by ensuring its state and timely delivery to the dealers of the company. Their association with the company is continuous and generally for much more extended periods in comparison with the suppliers.

They include promoters, friends and relations by the directors, chartered accountants, governing auditor and consultant lawyers who may be engaged regularly or occasionally.

### **1.7.2 External Public Relations :**

The various constituents of the external public are :

- Consumer
- Community
- Mass media

## Front Office Management

- Government
- Financial Institutions
- Action group and
- General public

The present era belongs to marketing, where everything that happens in the company revolves around the customer. He does not intrude the premises; instead, he is a guest. He is an inspector of quality and is always right. A customer is not a means of business, and yet, he may become a customer of the company's product or services in future, depending upon his opinion and the goodwill of the company.

### ❖ **Community :**

The community represents the public, which stays in the proximity of the hotel. These people change their lifestyle depending upon business activity. The increasing cost of living congestion, pollution, health hazard sanitation and various social problems like, gambling, drinking, etc. near various large organisations in our country is the testimony of this transformation a company brings in its neighbourhood. Therefore, it becomes a social and moral obligation of the hotel industry to compensate the community for these losses by contributing to improving their lives in some manner. The industry can help the community by improving job opportunities, providing health services, giving education, environment protection, etc.

### ❖ **Mass Media :**

Mass media includes both print as well as electronic media. Mass media gives mass exposure to the company activity, which in turn helps the public to form an impression of the hotel. By the ever-increasing popularity of electronic media, print media is losing its importance. Mass media has always remained a powerful source for voicing an opinion, building propaganda and influencing the behaviour of the masses. Besides, it will remain so forever.

### ❖ **Government :**

The Indian economy is a mixed one where the government dictates the policies of all major organisations (big hotels) and controls tax policies. There may be upward revisions of taxes which lead to increases in prices of hotel services and lodging facilities. The public relation professionals should encourage their companies to maintain healthy relations and desirable practices, focus the attention of the government on genuine problems and build up positive public opinion in favour of hotel companies through their trade associations.

### ❖ **Financial Institutions :**

The relationship with the financial institutions has always been significant for a regular banking facility, overdraft or credit for the merchandise. Hotels are heavily dependent on the functioning and the patronage of financial institutions at their branches, regional, zonal, headquarter level. The financial institutions in our country can be divided into two categories that are public and private sector.

### ❖ **Action Group :**

The concept of an action group is relatively very raw in our country. Also, within a short time, it has become very popular. Social organisations that work for consumer or labour problems, environmental problem etc. are enacting as major action groups. The formation of the consumer protection act has been a

significant milestone in this regard. Before the consumer protection act 1986, the lawyers' solicitors, jurists, press bureau created and various groups that acted as action groups. Though they are less in number, they have a very high potential to harm or influence the interest of the company. They should be included in the PR list of the company so that they get PR literature regularly and are invited to all social and cultural functions of the company to create a positive image of the company in their mind.

❖ **General Public :**

They make up the largest chunk of all external publics for a company. They are the ultimate judge of all the activities of the hotel based on which it will survive or die. Interaction with this public is through mass media, like newspapers and magazines, radio, televisions exhibition banners hoardings; leaflets etc. An increasing number of companies realise the significance of public relations and advertising. Instead of concentrating only on the products and services or the brand image, companies are showing an increased concern in issues such as environmental protection, pollution control and noise pollution to improve the quality of life of the public. It creates a responsible image of their company in front of the people.

**1.7.3 Importance of External Public Relations :**

The importance of external public relations can be made out of the fact that without them, the company cannot exist. It includes the community, mass media, government, financial institutions, action groups and the public. Hence, not only because of the external environment but also because of internal environment factors, companies must respond more positively to the public. The success of any business of any organisation depends on how it will adapt and relate with its External Public.

❑ **Check Your Progress – 2 :**

1. \_\_\_\_\_ are also the part of internal public of an organization  
(A) Employees (B) Suppliers (C) Distributors (D) All the above.
2. \_\_\_\_\_ are part of external public of an organization  
(A) Distributor (B) Consumer (C) Government (D) B & C

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**1.8 LET US SUM UP :**

**In this unit, we :**

- Stated the role of public relation in a hotel
- Discussed the qualities of a public relation officer
- Illustrated the role of public relation in the tourism sector
- Explained public relation tactics
- Pointed out tools of public relation

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**1.9 ANSWERS FOR CHECK YOUR PROGRESS :**

❑ **Check Your Progress 1 :**

1. (A), 2. (C), 3. (D), 4. (D), 5. (B)

❑ **Check Your Progress 2 :**

1. (A), 2. (D)

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### 1.10 GLOSSARY :

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**Diplomacy** – the art of dealing with people sensitively and discreetly.

**Time management** – the ability to use one's time effectively or productively, especially at work.

**Distributor** – an agent who supplies goods to retailers.

**Community** – a group of people living in the same place or having a common set of characteristics.

**Mass Media** – Mass media refers to a diverse array of media technologies that reach a broad audience via mass communication.

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### 1.11 ASSIGNMENT :

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An unnatural death (suicide) occurred in Hotel XYZ, which resulted in fear among the in-house guests. It also affected the reputation of the hotel. What should be the PR's role in clearing the hotel's image and bringing back clientele to the hotel ?

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### 1.12 ACTIVITY :

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Create a press coverage content for a hotel of your choice.

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### 1.13 CASE STUDY :

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A hotel has organised a celebrity event on the eve of the new year and has sold tickets for the same. But due to last-minute flight cancellation, the celebrity could not reach the destination. The guests were utterly dismayed and angry, and the hotel's reputation suffered.

What should be the GRE's role in calming the guest and managing the media ?

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### 1.14 FURTHER READING :

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1. Managing Front Office Operations – 10e – Michael Kasavana
2. Professional Front Office Management – 2e – Robert H Woods, Jack Ninemeier, David Hayes & Michele A Austin



**UNIT STRUCTURE**

- 2.0 Learning Outcomes
- 2.1 Introduction
- 2.2 Making First Impressions
  - Check Your Progress 1
- 2.3 Being Professional
  - Check Your Progress 2
- 2.4 Delivering Services During Guest Visits
  - 2.4.1 Telephone Skills
  - 2.4.2 Emergencies
  - 2.5 Evaluating Guests Services
    - 2.5.1 Guest Comment Cards
    - 2.5.2 Mystery Shoppers
  - Check Your Progress 3
- 2.6 Let Us Sum Up
- 2.7 Answers For Check Your Progress
- 2.8 Glossary
- 2.9 Assignment
- 2.10 Activity
- 2.11 Case Study
- 2.12 Further Reading

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**2.0 LEARNING OBJECTIVES :**

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- Defend the importance of making an excellent first impression on guests who are reserving a room or arriving at the hotel.
- Review the do's and don'ts of interaction between front desk attendants and guests when taking a phone reservation and at times of guest registration and check out.
- Discuss shared situations that provide guest service opportunities for front desk attendants.
- Discuss the need for and conventional means used to assess guests' perceptions about hotel services.

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**2.1 INTRODUCTION :**

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The front office is correctly referred to as the communication hub of the hotel. Front office managers and other hotel managers are responsible for identifying what their guests want and developing processes to deliver those services to them.

This chapter describes the types of human relations skills that active front office personnel use to satisfy their guests consistently. They must demonstrate necessary telephone skills as reservations are taken and as guests contact the front office during their stay.

The need for responding to guest requests after the check-in also requires front office personnel to know and practice fundamental human relations and communication skills.

How do front office managers and other managers learn about guest experiences and the ways that guest stays can be made more enjoyable? A process must be in place to solicit guest input, to analyse responses and take corrective actions, and to ensure that hotel staff are doing all that is reasonably possible to make guest visit pleasurable.

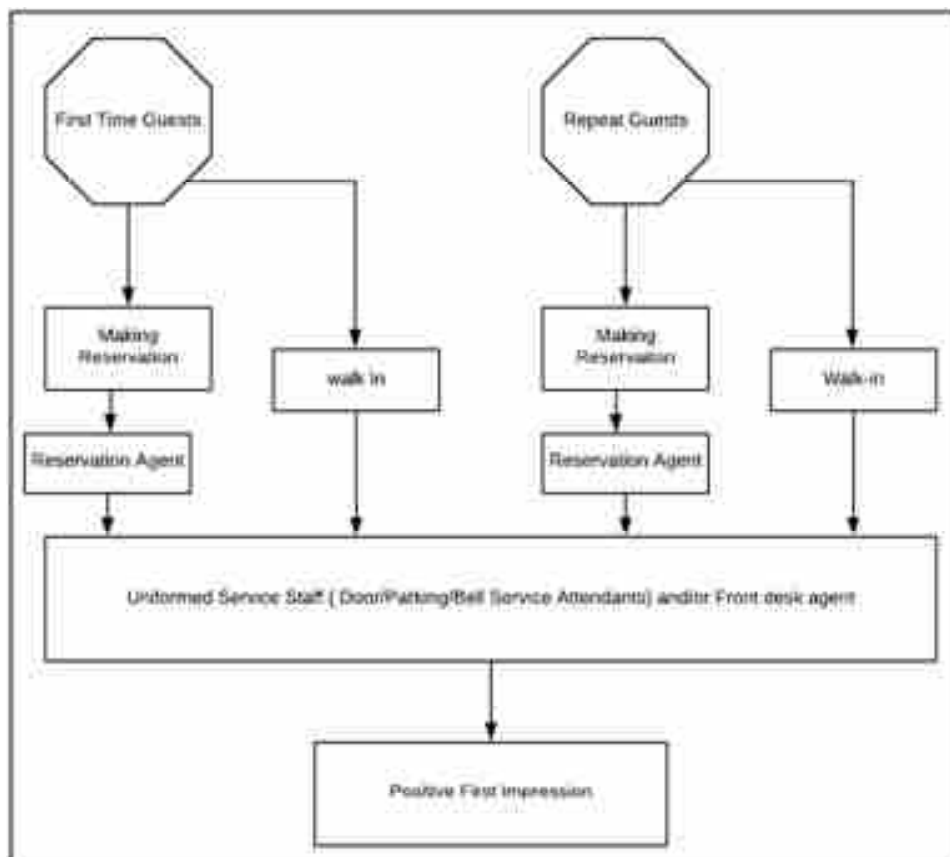
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## **2.2 MAKING FIRST IMPRESSIONS :**

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### **Who is responsible for the guest's first impression ?**

For first-time guests, the first impression is formed when they contact the hotel for reservation information. A reservation agent at a large property or a front desk agent at a smaller property make a first impression.



**Fig. 1 : Who is responsible for the guests' first impression**

First-time walk-in guests may form first impressions as they arrive at the hotel locations.

Impressions are also formed when guests enter the lobby and are greeted by uniformed services staff and the front desk attendant.

For repeat guests, employees provide positive impressions as guests make a reservation or arrive at the property, by assuring them all those services that encouraged their return in the first place.



Be sure to say hello and be sure to smile. Proper dialogue is essential, and so is a genuine smile. A sequence of events after the initial greeting is also part of forming the first impression.

Many hotels have earned significant repeat business. To be able to do so involves more than just "hello" at the time of registration, a clean room with a working television and an alarm clock, and a "thank you" as guest departs. It requires empowered staff who can make decisions to ensure an overall pleasing experience for guests. Two factors can give a hotel a competitive edge over competing hotels, and they are :

1. Guest friendly processes, and
2. Guest friendly employees.

The guests feel comfortable and appreciate a hotel that understands and anticipate their needs and wants. Guests feel at home when the staff makes them feel special. All hoteliers can achieve service-related goals when they follow these steps :

- Comprehend what service is from the guests' perspective.
- Change processes to deliver the service guests want.
- Provide the necessary equipment, tools, and training to help staff members reliably deliver the service guests want.
- Establish a standard to indicate where you begin the journey toward continuous delivery of the desired service.
- Monitor service enhancements and guest fulfilment levels.

Basic tactics that front desk agents can use to help ensure that the hotel guests will have a positive first impression.

Tactic 1 – Provide a genuine welcome.

Tactic 2 – Design the registration process to be fast and accurate. Address other guest needs that are important during this time.

Tactic 3 – Ensure that no "little" things create aggravation.

Tactics 4 – Do not tell the guests what to do.

Tactics 5 – Pledge assistance to meet the guests' needs during their visit.

Service is defined as the continuous delivery of products and services. Consistency is essential as every opportunity to provide service during a visit will be evaluated by guests. Trained and empowered front office employees understand that service requests provide an opportunity to enhance the relationship between the hotel and the guest.

**☐ Check Your Progress – 1 :**

1. \_\_\_\_\_ is formed when they contact the hotel for reservation information.  
(A) Relationship (B) Reservation  
(C) first impression (D) all of the above
2. "Be sure to say hello and be sure to \_\_\_\_\_."  
(A) Hi (B) Bye  
(C) Smile (D) None of the above
3. Comprehend what service is from the guests' \_\_\_\_\_.  
(A) Perspective (B) Needs (C) Wants (D) All the above

4. Service is defined as the \_\_\_\_\_ distribution of products and services.  
 (A) Pure (B) Inconsistent (C) Consistent (D) All the above
5. \_\_\_\_\_ front office employees understand service request provides an opportunity to enhance relationship between the hotel and the guest.  
 (A) Trained and empowered (B) Fast and furious  
 (C) Clean and tidy (D) None of the above

**2.3 BEING PROFESSIONAL :**

The consistent delivery of quality service represents a paradox. Front office managers must find the best job applicants and then train them to follow standard work processes that incorporate a can-do approach to service.

Front office managers can use two tactics to help ensure that service is delivered.

1. Be a **role model** through their words and actions, consistent concerns about pleasing guests.
2. They can provide basic **dialogue training** to prepare personnel for frequent interaction they will have with guests.

Front office personnel should think and act like professionals. They need to understand the understated difference between being well-organised and real. Hotel guests want to be treated with respect and dignity in addition to receiving efficient service. Most guests like to be referred to by name, and most like to be thanked for their business what employees say and do and do not say and do matters a lot.

The table below describes various conversations that occur between guest and hotel staff for different activities like reservation, registration and check out. The table gives a possible "just following procedure" response. It also provides a better response that is professional, respectful and cordial.

<b>Reservation Activity</b>	<b>Just the following Response</b>	<b>Performing like a hospitality professional</b>
<b>Provide telephone greetings</b>	"Hello, this is The Hilltown Hotel; how can I help you ?"	"Good after, this is Anand from Aruna Inn. How may I help you ?"
<b>Use upselling tactics</b>	If you want to spend just a couple of dollars more, I can upgrade you to a room with an ocean view.	"Now that you have decided on a room with a king-size bed, I hope you let me tell you about an excellent room with an ocean view."
<b>Quote room price</b>	"The price of the room will be INR 5000 plus about 15% in taxes"	"It is great that you will be staying with us. The cost of the room will be Rupees 5575/ – and that includes all taxes. I know you will adore your stay and that the room will be a great value for you."

**Front Office and Guest  
- Delivering Quality  
Services**

<b>Inquire about special requests</b>	"Is there anything else you will need during your stay ?"	"You will enjoy the room, Mr Perez. Is there anything else that we can provide that will make your stay more enjoyable ?"
<b>Conclude telephone conversation.</b>	"Thanks for calling The Hilltown Hotel."	"Mr Perez, thank you very much for calling us. We are going to do all we can to make your visit enjoyable. If there is anything we can do before you arrive, please give a call. Otherwise, we look forward to you being our guest at The Hilltown Hotel."
<b>Registration Activity</b>		
<b>Provide personal greeting</b>	"Next in line, please."	"May I please help you, ma'am ?"
<b>Check for messages and package's</b>	"Are you expecting any messages or packages ?"	"Ms Smith, I will be happy to check for any messages or packages that may have arrived for you."
<b>Determine methods of payment</b>	"The reservation says you will pay by American Express. May I please have the card ?"	"Do you still wish to pay for your room and other charges with your American Express card, Ms Smith ?"
<b>Present room key</b>	"Here is your room key. The room number is written on the key holder. You need to take the elevator over there to the third floor."	"Here is your room key, Ms Smith, and here is the room number."
<b>Call for bell service assistance</b>	"Would you like help to get your luggage to the room ?"	"I would like to welcome you once again, Ms Smith, to The Hilltown Hotel. Please contact us at any time if you need anything. You can call us from your room or any house phone, or just stop by the front desk. Would you like Bill, our bell services attendant, to show you to your room and explain some of its features ?"
<b>Check-out Activity</b>		
<b>Provide Personal Greeting</b>	"Are you checking out ?"	"Good Morning Sir, how may I help you ?"

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<b>The present copy of folio for guest review.</b>	Okay, here is a copy of your bill. I want, you can look it over to see if it is okay."	"Mr Walsh how was experience, and we would certainly like to know if it did not meet the expectations. I have a copy of your bill for you to review."
<b>Inquire about the room key</b>	"Do you have a room key ?"	"If you have your room key, Mr Walsh I will be happy to take it. Otherwise, if you can just leave it there, or you can drop it by the front desk on your way out. You can even give it to our van driver on your way to the airport."
<b>Receive payment for final folio balance</b>	"Do you want to leave the total room charge on your American Express card ?"	"This is the total amount of the room and other charges, Mr Walsh. If you would like to leave it on your American Express card, that is fine. Suppose you would like to arrange payment another way. That is acceptable also."
<b>Provide cordial farewell</b>	"Thanks for staying at The Hilltown Hotel. Come back soon."	"Mr Walsh, I am delighted you were able to stay with us."

### Check Your Progress – 2 :

- Front office managers can provide basic \_\_\_\_\_ to prepare personnel for common interaction they will have with guests.
  - Role model
  - Dialogue training
  - None of the above.
  - All the above
- Be a \_\_\_\_\_ through their words and actions.
  - Role model
  - Dialogue training
  - None of the above
  - All the above
- Most guests like to be referred to by \_\_\_\_\_.
  - Room number
  - Nickname
  - Instagram id
  - Name

## **2.4 DELIVERING SERVICES DURING GUEST VISITS :**

Most front desk agents experience times during their work shifts when they are swamped. At other times they are concerned about issues in their personal life that are equally or more important to them than their work activities. In many circumstances, however, front desk agents need to recognise their primary work responsibility : to provide a level of service that meets or exceeds guest expectations.

### 2.4.1 Telephone Skills :

- Answer telephone calls promptly. Smile as you pick up the phone and begin to speak.
- Greet callers with a statement that identifies you like the front desk attendant and seeks to determine the subject of the call.
  - o "Good afternoon, this is Anand at the front desk. How may I help you. ?"
- During the conversation, focus full attention on the caller.
- Speak using simple English/local language and avoid unnecessary jargon. Use guest name whenever possible.
- Apply listening skills during a telephone call.
  - o Avoid phrases such as these – "I do not know", "I cannot do that". Instead use – "Please allow me to find out" "Here is how I can help you."
- Transfer calls when it is necessary to do so.
- If it is necessary to take a message for someone unavailable, indicate when the person will be available.

### 2.4.2 Emergencies :

The general manager and department managers, including the front office manager, must give considerable attention to preventive measures aimed at reducing the occurrence of emergencies. They also must have plans in place should emergencies arise. All front desk attendants in every hotel should be trained in and knowledgeable about the proper response to these signals of emergency :



**Fig. 2 : Video on Fire safety. Scan the QR code with your smartphone to see the YouTube video**



**Fig. 3 : Video on Bomb threat call. Scan the QR code with your smartphone to see the YouTube Video**

- Fire alarms
- Observable smoke or fire in any area of the hotel.
- A call from the guest room about a guest who has become seriously ill or may have had a heart attack
- A notification that a hotel employee or guest has been injured from a fall, puncture wound, or accident.
- Natural emergencies such as earthquake, cyclones, hurricanes, tornadoes, blizzards, forest fires, tsunamis, flood or other potentially life-threatening emergencies in the area where the hotel is located.
- Bomb threats or other alerts regarding possible terrorist actions.

## 2.5 EVALUATING GUESTS SERVICES :

"How are we doing ?" is a question that all hotel managers generally and front office managers more specifically must ask more often. Experienced hotel managers know that guests, not hotel managers, are the only people who can reliably answer this question. To remain competitive, hotels must continuously improve, for improvement managers must re-invent themselves and innovate after every few years.

### 2.5.1 Guest Comment Cards :

Hoteliers have traditionally used a simple comment card system to learn about their guests' service-related and other experiences about the property

Guest comment card can be designed by a specific property, by a franchisor, or by a management company. A management company might design their comment card as they have multiple brands and want to maintain some consistency.

	Excellent	Good	Average	Below Par
<b>ARRIVAL</b>				
Check in Efficiency	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ROOM</b>				
Overall Quality of Room	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amenities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cleanliness	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>FOOD</b>				
Overall Quality of Food	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Restaurant Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>HOTEL SERVICE</b>				
Overall Quality of Housekeeping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Upkeep	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Laundry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>STAFF COURTESY</b>				
Front desk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Restaurant	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housekeeping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Overall Experience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Would you stay with us again?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Did our staff address you by your name?	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Please help us recognize any staff who served you exceptionally well or delighted you during your stay				
MUKESH WAS EXCEPTIONAL				
ADDITIONAL COMMENTS OR SUGGESTIONS				
IT WAS A GREAT OVERALL EXPERIENCE, MAY BE A NON-VEG RESTAURANT & BAR ADDITION TO THE HOTEL WOULD BE GREAT.				
GUEST INFORMATION				
Name	VICTORIA			
Room Number	312	Phone Number		
Company / TA Name				
E-mail				
	Today's Date 27/12/2013			

Fig. 5 : Hotel Guest Comment Card (Pinterest n.d.)

Comment card should request the guest to inform and notify the immediate problem so that it can be addressed before they leave. The point should be to sincerely address the issue and give service to the guest as per the satisfaction of the guest.

Careful analysis of information on the comment card helps to identify problems. Perhaps resolution will involve new policy, training, purchase of tools or equipment, or change in operating procedures.

Advantages of guest comment card system do not accumulate to the hotel unless data are used. Some hotel managers collect data because they must. Some rationalise that the guest with the negative comment is wrong; others quickly implement the solution to perceived problems before they have even been accurately defined.

### **2.5.2 Mystery Shoppers :**

Some hoteliers use mystery shopper services to help evaluate services and operations from their guest's perspectives. For–profits businesses provide this service in many parts of the country. In many instances, the mystery shopper meets with members of the hotel management team before the visit. This provides an opportunity for the shopper to learn about the hotel.

Professional mystery shopping services often provide a comprehensive report and detailed visit report. After the mystery shopper's evaluation is completed and the report is developed; usually, he/she meets with the affected hotel managers to provide additional information when necessary

#### **☐ Check Your Progress – 3 :**

1. \_\_\_\_\_ as you pick up the phone and begin to speak.  
(A) Sing (B) Smile  
(C) Close your eyes (D) None of the above
2. During the conversation, focus full attention on the \_\_\_\_\_.  
(A) Guest's accent (B) Caller  
(C) Background sound (D) Time spent
3. The front office personnel should be trained in :  
(A) Fire alarm (B) Bomb threat (C) First aid (D) All the above

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### **2.6 LET US SUM UP :**

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Opportunities for guest service begin when guests contact the property to make a reservation, when guests arrive at the hotel property and enter the lobby, and when repeat guests return for a subsequent visit.

It takes no additional time, nr does it cost any more, for front desk agents to be professional and respectful when interacting with guests. When being professional, front desk agents will be productive rather than just be efficient.

Telephone service is most probably the most common way front office staff provide guest service. FOMs must be alert to guest's perceptions about service to identify where service processes can be revised to meet guests needs better.

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## 2.7 ANSWERS FOR CHECK YOUR PROGRESS :

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- ❑ **Check Your Progress 1 :**
  1. (C), 2. (C), 3. (A), 4. (C), 5. (A)
- ❑ **Check Your Progress 2 :**
  1. (B), 2. (A), 3. (D)
- ❑ **Check Your Progress 3 :**
  1. (B), 2. (B), 3. (D)

---

## 2.8 GLOSSARY :

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**Role–model** – Act of behaving in a manner that is consistent with the behaviour desired of others.

**Dialogue training** – Teaching employees what to say in conversations and how to respond to everyday situations that occur on the job.

**Telephone etiquette** – Procedures for using the telephone in a professional manner that is respectful of the person to whom one is speaking.

**Multitasking** – Productivity improvement tactic in which an employee does more than one thing the same time. E.g. an employee may read a letter while on hold, awaiting the beginning of a conference call.

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## 2.9 ASSIGNMENT :

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Assume that you are a front office manager talking with a new front desk attendant during induction to the department. What guidelines would you discuss about the role of a person in that position about :

1. providing a positive first impression for the guest
2. Making guest service a priority, and
3. Deciding part of the service recovery process

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## 2.10 ACTIVITY :

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Visit a hotel and watch how the bell desk handles luggage. Identify the steps that are followed by the bell desk.

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## 2.11 CASE STUDY :

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### **Guest Satisfaction at the Convention Centre Hotel**

Tuhin Verma, general manager of the Convention Centre Hotel, is worried. The guest comment cards for the last three months have shown a significant reduction in guest satisfaction. The main departments showing reduced guest ratings are reservations, front desk, and housekeeping.

Tuhin knows he must find the reasons for the low ratings. The hotel's parent company evaluates him, and his hotel management team based on the ratings gathered through guest comment cards. If the ratings are right, he and his team will see an increase in their year–end bonus. If the ratings are low, the bonus will be low too. An even more significant concern Tuhin has is the potential loss of repeat business. If this trend continues, there could be a considerable drop in the number of guests returning to the hotel. Returning guests are the cornerstone of Tuhin's strategy to make annual occupancy, rate, and revenue budgets. His strategy will fail if the hotel begins to lose its best customers.



Tuhin has looked at the remarks carefully and asked each section head to provide two charts. The first chart shows guest comment card ratings for each department for the last three months. The second chart shows group arrival and departure patterns for the same period. Besides, each section head has listed the types of guest complaints and their frequency. Tuhin identified the following trends after meeting with the room division managers :

The highest guest dissatisfaction was evident during group arrivals and departures. Most groups checked in on Mondays and departed on Thursdays. Mondays and Thursdays were also the main arrival and departure days for non-group business.

- Both group and non-group guests mentioned the lack of clean rooms on arrival and that at times they had to wait up to three hours for a room.
- Guests driving to the hotel also complained about the traffic and congestion at the hotel's entrance.
- Special room requests by guests were rarely honoured by the hotel – even those from regular guests.

Most rooms division personnel (front desk, concierge, bell stand, telephone, and housekeeping) seemed to know little about the groups staying with them. Special group rates were often not posted to guest accounts, and master account billings were also incorrect on several occasions. Besides, rooms division personnel did not recognise returning non-group guests.

❖ **Discussion Questions :**

1. Identify the underlying problem or problems with front office operations. What hotel information should Tuhin check ?
2. Identify the other departments that may be affecting front office performance and, consequently, the guest ratings of the front office.
3. Recommend a course of action for the room division management team to turn this situation around. Develop a plan, consisting of at least five elaborate steps, that will resolve the problem.

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**2.12 FURTHER READING :**

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1. Hotel Front Office – A Training Manual – Sudhir Andrews – Tata McGraw Hill
2. Hotel Front Office Operations and Management – Jatashankar Tiwari – Oxford Publications



**UNIT STRUCTURE**

- 3.0 Learning Objectives
- 3.1 Unit Introduction
- 3.2 Various Guest Services
  - 3.2.1 Handling Guest Mail
  - 3.2.2 Message Handling
  - 3.2.3 Control of Keys
  - 3.2.4 Guest Room Change
  - 3.2.5 Left Luggage Handling
  - 3.2.6 Wakeup Call
- Check Your Progress 1
- 3.3 Guest Complaints
  - 3.3.1 Types of Guest Complaint
  - 3.3.2 Handling Guest Complaints
- Check Your Progress 2
- 3.4 Let's Sum Up
- 3.5 Answers For Check Your Progress
- 3.6 Glossary
- 3.7 Assignment
- 3.8 Activity
- 3.9 Case Study
- 3.10 Further Reading

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**3.0 LEARNING OBJECTIVES :**

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- State the importance of guest services
- Outline the procedure for handling guest mails, messages, and keys
- Outline the procedure for guest paging and guest room change
- Outline the procedure for handling left luggage and wake up calls
- Outline the procedure for resolving guest complaints

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**3.1 UNIT INTRODUCTION :**

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In previous chapters, we have read about pre-registration, registration and check out procedure. However, during the stay, the front office is the centre of many activities. Once the guest checks in the hotel he avails many services. The hotel is creating moments into memories. Many services have procedure to follow to give satisfaction. While the hotel strives to give one hundred percent perfect service there are bound to be some amount of service dissatisfaction. In this chapter we will also see how it is important to recover from bad service.

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## **3.2 VARIOUS GUEST SERVICES :**

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When the guest stays at the hotel, it requires various types of assistance. Front office staff provide multiple services to the guest. Guest expect their emails, messages, telephone calls and visitors are handled carefully. Guests in the hotel also need waking up at a specific time on request. Depending on the guests' requirements, the front office takes care of their letters, messages, keys, and left luggage. When requested, the front office also does room changes.

### **3.2.1 Handling Guest Mail :**

The guests receive letters, parcels, and packets at the hotel address. All mails addressed to the hotel are received by the front office as per the hotel rules. Mails are divided into two categories, i.e., guest mail and hotel mail.

Incoming mails are of two types :

**Ordinary :** The mails whose delivery record is not maintained by the delivering agency.

**Registered :** The mails whose delivery record is maintained by the delivering agency are known as registered mails.

#### **The procedure of mail delivery**

1. Stamp the date and time of receipt on every mail record.
2. Sort the letters/parcels as guest and hotels.
3. Arrange in alphabetical order.
4. Next, sort the hotel mails into official or employee mails.
5. Send employee mails to the time office for delivery.
6. Deliver official mails to the respective offices.
7. Send guest mails to the information section.
8. The information section attendant will further sort the mails into the following categories.
  - a. Resident (staying) guests
  - b. Checked-out (departed) guest
  - c. Future guest (guest with a confirmed reservation for future dates)
  - d. The mails of the resident guests are delivered in the guest room by bell boys if the guest is present in the rooms. If they are out, the mails are placed in the key rack and delivered when then come to collect the room keys.
  - e. The mails of checked out guests are sent to the back office, from where the mails forwarding addresses are collected for re-direction.
  - f. The mails for future guests are sent to the reservation section, where they are placed along with the reservation record. The mails are attached with the pre-filled registration card and delivered to the guest at the time of registration.

### **3.2.2 Message Handling :**

Sometimes, there are calls or visitors for a resident guest when he/she is not present in the hotel. In such a situation, the front desk delivers the same as soon as the guest comes back.

**Message handling Procedure** – Every hotel has its SOP (standard operating procedure) for handling message. Given below is a popular one.

1. When a guest has a visitor or a call, the front desk attendant should look at the information rack to see if the guest is a resident or has already checked-out.
2. In the case of a resident guest, the desk attendant must check whether he/she is present in the room. If not, then the desk attendant must check the key rack for the location form or any instruction left by the guest. If the same is available, then act as per the instruction of the guest.
3. If a guest has not left any instructions at the front desk, the desk attendant should note the message for the guest on a message slip.
4. The message slip is prepared in duplicate, and the original is placed in the key rack. The matching copy is placed in a message slip envelope and slid through the door of the guest room by a bell attendant.
5. If a visitor enquires for a guest who has checked out of the hotel, the front desk could inform the visitor based on instructions left by the guest.
6. If there is a call for a forthcoming guest, then the desk attendant notes the message on a message slip and sends it to the back office where it is placed with the reservation records.

### **3.2.3 Control of Keys :**

The front desk must retain the room keys in safe custody to ensure the care and safety of the guest's belongings. The front desk should keep strict control over the keys to :

1. Prevent unlawful access to the guest room.
2. Identify who all entered the guest room.
3. Ensure the security of the guest and the guests' belongings.
4. Prevent intrusion in the guest's privacy.

The room keys of unoccupied rooms should be placed in the mail and key rack at the front desk. The keys of the occupied rooms should be with the guest while they are in the hotel. When guests go out of the hotel, they should leave the keys with the front desk. To ensure the key is given to the right guest, the guest should be asked for id card, which can be verified against the information rack.

There are at times when a room key may be lost, or a guest may forget to return the key. In the case of a manual key, the door lock should be immediately changed. In case of computerised door locking the lock should be recoded.

### **3.2.4 Guest Room Change :**

Guest rooms are an essential commodity of a hotel. In case a room does not match the guest's expectations, he/she may request an alternative. There are times when the hotel may wish to change a resident guest's room. A guest may want to change the room under the following circumstances

- The room assigned not as per the choice of guest
- Room amenities are not working properly
- Number of room occupants

The hotel may want to change the guest's room under the following circumstances.

- A guest was upgraded as the lower category was not available.
- If guest extended his stay
- If rooms require maintenance

❖ **Procedure for changing rooms :**

1. Front office informs the guest about the room change in advance to allow the guest to pack.
2. The room change slip is filed. Six copies are made and distributed to the reception, bell desk, bell captain, front office cashier, telephone exchange, housekeeping, and room service – and takes authorisation from the duty manager.
3. A bell attendant is given the key to a new room who then proceeds to the guest room to move the guest's luggage.
4. In case of a dead move, the bell attendant requests the room/floor attendant to open the guest room. If it is a live move, he asks the guest to allow him to move the luggage.
5. The bell attendant removes guest belongings from the room and locks the room. He then carries the belongings from the room and hands over the new room key to the guest. He collects the key of the room being vacated from the guest and deposits the same at the front desk.

**3.2.5 Left Luggage Handling :**

Sometimes guests may check out of their rooms but wish to leave their luggage in the hotel and collect it later. At times the guest has a flight in the late evening or may vacate the room to save late check out charges. In such cases, the guest luggage is kept in the left luggage room.

❖ **Procedure for left luggage handling :**

1. The luggage should be placed in the left luggage room only after the guest clears his bill.
2. A luggage tag is filled and tied to each piece of luggage.
3. The details of the luggage are then entered in the left luggage register.
4. Counterfoil of luggage tag is handed over to the guest (to be presented at the time of collecting the luggage back).
5. The luggage is then placed in the left luggage room.

❖ **Procedure to return guest luggage from the left luggage room :**

1. Guest should present the luggage tag (counterfoil).
2. Front desk attendant tallies the luggage tag counterfoil with the tag on the baggage.
3. Desk attendant makes an entry in the luggage register and hands over the luggage to the guest.

**3.2.6 Wakeup Call :**

Hotels offer wake up call services, wherein the hotel staff makes a telephone call at a requested time to awaken a guest. The guest may call the telephone operator of the hotel and give request to be woken up at a particular

time. The time of the wakeup call is registered in the wakeup call register. The telephone operator calls the room at a specific time.

Hotels also give wakeup calls to crews of airlines on the crew leader's or airline's request. Tea/coffee or breakfast orders are also taken. The information about food and beverage orders is passed to the room service or restaurant to make the necessary arrangement. The front office also communicates the timing and venue of the meals to the crew leader.

❑ **Check Your Progress – 1 :**

1. Mails received at the information desk at they may be broadly classified as :  
(A) Hotel Mail (B) Guest Mail  
(C) A & B (D) None of the above
2. The guest mails may further be grouped into the following :  
(A) Resident guest (B) Departed yet-to-arrive  
(C) Departed (D) All the above
3. The facility of awakening guests is known as :  
(A) Warning call (B) Walking call (C) Wakeup call (D) Worship Call
4. Where should one place the message received for the guest who is out of the premises for prompt and ensured delivery ?  
(A) In the pocket of the front desk attendant  
(B) Anywhere  
(C) In the key and mail rack along with room keys  
(D) With the housekeeping floor attendant
5. Mails are Sorted as hotel mails or guest mails after they are received at the front desk.  
(A) True (B) False
6. The mails received for the future guest having confirmed reservation are sent to the reservation office to be kept with the reservation docket.  
(A) True (B) False
7. Hotels provide the facility of keeping the luggage of a guest after the departure of the guest.  
(A) True (B) False
8. A \_\_\_\_\_ tag is attached to every piece of luggage that is kept in the left luggage room.
9. The message slip is kept in the \_\_\_\_\_ rack with the room keys for prompt delivery to the guests.
10. If a guest is not in his room and wishes to be informed in case there is a visitor for him, he fills a/an \_\_\_\_\_ form.

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### **3.3 GUEST COMPLAINTS :**

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*"Complaining customer can be the best opportunity to show how good you are. Moreover, create an evangelist." – Shep Hyke*

*"It takes months to find a customer. Seconds to lose one." – Vince Lombardi*

These quotes very clearly prove that handling customer satisfaction is the utmost importance to the hotel staff. However, when the customer is not happy with the services provided by the hotel, they express their dissatisfaction, it is called a complaint.

Complaining guest is significant as they allow the hotel a second chance or have faith in the hotel services. It is vital to treat every complaint, whether small or big priority.

### **3.3.1 Types of Guest Complaint :**

The guest complaints can be divided into four major categories :

1. **Mechanical** – Mechanical complaints are related to the breakdown of systems and equipment in the guest room, like television, mini-bar, air conditioner, Wi-Fi, Hot water, light, etc..
2. **Attitudinal** – When a guest feels insulted by rude or harmful behaviour and lodges a complaint. Bad behaviour is referred to as attitudinal complaint.
3. **Service-Related** – Service-related complaints are about problems in services provided by the hotel, such as delay in the room service, or delay in clearance or soiled crockery from the room.
4. **Unusual Complaints** – Complaints which the hotel does not have any control over. For example, a guest may complain about the lack of a golf course in a hotel.

### **3.3.2 Handling Guest Complaints :**

The front office should handle the complaint very diligently and diplomatically. Front office personnel should display empathy and decision-making skills.

These guidelines may be followed while handling guest complaints.

1. Listen carefully without interruptions, with empathy.
2. Show concern and take the complaint seriously.
3. Never argue. Remember, the guest is always right.
4. Never try to win an argument – you may win an argument at the cost of a lost guest.
5. Where possible, isolate the guest so that other guest may not overhear
6. Offer choices and never make false promises.
7. Monitor the corrective measures
8. Follow up and inform the guest about the solution.
9. If unable to resolve the guest problem, consult your superiors.

#### **☐ Check Your Progress – 2 :**

1. Complaining guests are very important as they allow the hotel a \_\_\_\_\_.  
(A) bad reputation                      (B) second chance  
(C) good advertisement                (D) all the above
2. Breakdown of water tap in the bathroom is an example of \_\_\_\_\_ type of complaint.  
(A) unusual      (B) attitudinal      (C) mechanical      (D) service-related

## Front Office Management

3. A guest staying in The Lords Hotel, Mumbai complains that he wants a hill view room. This is a/an \_\_\_\_\_ complaint.  
(A) unusual (B) attitudinal (C) mechanical (D) service-related
4. The order for lunch in the room was placed at 1300 Hrs. Guest calls up at 1400 Hrs and complains to the food and beverage manager. This is a \_\_\_\_\_ type of complaint  
(A) unusual (B) attitudinal (C) mechanical (D) service-related
5. \_\_\_\_\_ carefully without interruptions, with empathy.  
(A) See (B) Hear (C) Listen (D) All the above
6. Offer choices and never make \_\_\_\_\_ promises.  
(A) true (B) false (C) tall (D) all the above

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### 3.4 LET'S SUM UP :

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In this unit, we have listed the different front office services provided to guests during the third phase of the guest cycle, i.e., their stay in the hotel. The various services include mail and message handling, telephone calls. In case the guest or the hotel require a room change, the front office ensures that it is carried out smoothly and efficiently. If guests have a complaint, the front office staff should have an answer to that too. All services contribute to guest satisfaction, which ensures repeat business and positive word-of-mouth publicity.

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### 3.5 ANSWERS FOR CHECK YOUR PROGRESS :

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**Check Your Progress 1 :**

1. (C), 2. (D), 3. (C), 4. (C), 5. (A), 6. (A), 7. (A),
8. (LUGGAGE), 9. (RACK), 10. (LOCATION)

**Check Your Progress 2 :**

1. (B), 2. (C), 3. (A), 4. (D), 5. (C), 6. (C)

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### 3.6 GLOSSARY :

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**Attitudinal Complaint** – Complaint about the behaviour of hotel staff

**Card Key** – A plastic card with a magnetic strip that has the code to open a guest room in an electronic locking system.

**Guest Paging** – Locating guests in a specified area of the hotel.

**Left Luggage Room** – A room where the luggage of guests who have checked out of their rooms and settled their bills, is stored.

**Location form** – A form in which a guest gives information about her whereabouts and provides instructions to follow if someone visits or calls her absence.

**Mail Logbook** – A book in which the hotel maintains a record of all received mails.

**Mechanical complaint** – Complaint regarding the malfunctioning of equipment in the guest room.

**Message slip** – The slip on which messages for guests are taken and delivered to the guest.



**Ordinary mail** – The mails whose delivery record is not maintained by delivering agency.

**Registered mail** – The mails whose delivery record is maintained by delivering agency.

**Service-related complaint** – Complaint about hotel services.

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### **3.7 ASSIGNMENT :**

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Visit a hotel and watch how the bell desk handles luggage. Identify the steps that are followed by the bell attendants.

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### **3.8 ACTIVITY :**

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Locate the format of a wakeup call sheet for groups and individuals, and practice filling them.

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### **3.9 CASE STUDY :**

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Rahul Roy has just been hired by the Ananda Inn to be the new front desk manager. Rahul is moving from another town, so the general manager of the Ananda Inn is allowing him to stay a few nights until he can find permanent housing. Rahul arrives at the inn about 6 P.M. on the night before he is to start work. There are several guests at the front desk and several front desk agents. Before approaching the desk to check in, Rahul takes a few moments to listen and observe what is going on. The first guest he observes is asking for a key to a room. The front desk agent, Jim, asks the guest for his name and verifies it in the computer system before handing over the key. The second guest has a complaint. He is upset that his room is not made up and he has an important dinner appointment. The desk agent, Nancy, tells the guest that housekeeping is closed and she doesn't know what to do. The third guest, Mr. Sharma, is trying to check in. However, the front desk agent, who is not wearing a name badge, claims he cannot find any reservation for Mr. Sharma. The next guest asks to use a safe deposit box. Nancy tells the guest that the hotel is out of safe deposit boxes because some of the boxes do not have keys. Finally, a fourth guest approaches Jim and asks where a good place is to have dinner. The Ananda Inn is known for its fresh fish and beautiful view of the river and woods beyond. Jim recommends a steak house down the street.

1. What did Rahul observe that was correct ? What did Rahul observe that needs to be corrected ?
2. What could Nancy do to resolve the complaint for the guest whose room is not clean ?
3. What other resources should Rahul use to identify guest and operational problems at the front desk ?
4. How should Rahul address these issues with his new staff ?

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### **3.10 FURTHER READING :**

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1. Managing Front Office Operations – 10e – Michael Kasavana
2. Professional Front Office Management – 2e – Robert H Woods, Jack Ninemeier, David Hayes & Michele A Austin

**UNIT STRUCTURE**

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 Front Office Communication
- 4.3 Importance of Communication
- 4.4 Types of Communication
  - 4.4.1 Written Communication
  - 4.4.2 Oral Communication
  - 4.4.3 Non-Verbal Communication
- 4.5 Flow Of Communication
- 4.6 Log Book
- 4.7 Importance of Telephone Directory
- 4.8 Procedure of Mail Handling
  - 4.8.1 Classification of Incoming Mail
  - 4.8.2 Handling of Parcel And Registered Mail
  - 4.8.3 Handling of Hotel Mail
  - 4.8.4 Handling of Outgoing Mail
- 4.9 Handling of Telephone Service
  - 4.9.1 General Telephone Manners
  - 4.9.2 Telephone Communication
  - 4.9.3 Use of Telephones In Departmental Operations
- Check Your Progress 1
- 4.10 Let Us Sum Up
- 4.11 Answers To Check Your Progress
- 4.12 Glossary
- 4.13 Assignment
- 4.14 Activity
- 4.15 Case Study
- 4.16 Further Reading

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**4.0 LEARNING OBJECTIVES :**

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In this unit, we have discussed communication and front office.

**After completing this unit, you should be able to :**

- State the importance and different types of communication.
- Discuss the role of communication in fulfilling front office responsibilities.

- Describe the use of communication records such as logbook and information directory.
- Explain the telephonic guest services provided by the front office and telephone etiquette.
- Track the handling of hotel mail.
- Discuss the communication between the front office and other departments of the hotel.

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#### **4.1 INTRODUCTION :**

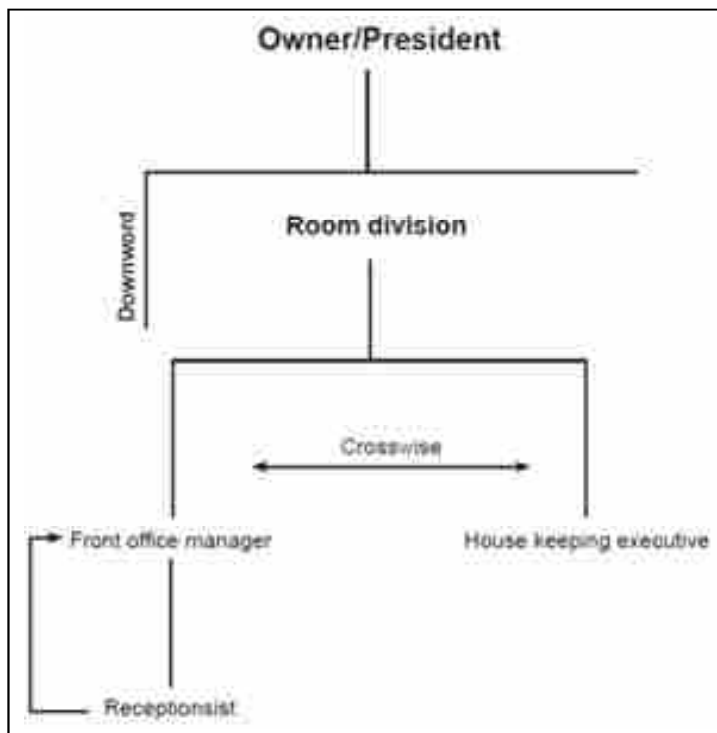
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Communication is a process where a sender imparts or exchanges information by speaking, writing or using some other medium and receiver decodes the message and gives feedback to the sender. The whole process of communication is incomplete until the sender receives feedback. Communication is the exchange of information and ideas from one person to another. A sender transmits an idea, information or feeling to a receiver. Whereas, the receiver need not be present or be aware of the sender's intent for the act of communication to occur. Effective communication is evident only when the receiver understands information or idea precisely as the sender intended to convey. Many problems in organisations are the direct result of people failing to communicate, leading to confusion and operational breakdown.

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#### **4.2 FRONT OFFICE COMMUNICATION :**

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**Fig. 1 : Flow of Communication**

Communication in the front office is essential for the proper coordination between the various departments of the hotel, and it is equally vital that there is good communication within the department also. The front office is the nerve centre of the hotel. It has to be connected with the various departments of the hotels for providing various services to the guest. For easy operations, communication amongst the department staff is equally important. There are many methods of communication within organisations. In case of hotels, the

communication includes the telephone, letters, fax, emails, computerised displays, CRS (central reservation system) system and printouts, various reports (generated within the organisation and from outside the organisation), memos, forms of one kind or another, publicity, advertisements, hotel directories, brochures, notice boards, placards and other static displays, public address systems, paging system automated Alarm systems and face-to-face conversations.

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### **4.3 IMPORTANCE OF COMMUNICATION :**

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Good communication is essential for establishing a long-lasting relationship with the guests. The opinion of the guest depends upon their experience at the hotel. Even though hotels offer accommodation, food and other services, what guests seek from them is friendly treatment from the hotel staff. Thus, effective communication is essential to comfort guests. Just as communication with the guest is critical, communication within the departments of the hotel is equally important. Following are the reasons that necessitate effective communication :

**Decision making :** The management makes decisions based on information provided to them. Clear and precise communication enables them to take decisions effectively.

**Delegating the authority :** Managers make decisions and execute them through their subordinates. If the instructions given are clear, it will enable them to function efficiently.

**Job satisfaction :** Open communication and frequent discussions and feedback from the superiors boosts the morale of staff members. If employees feel that they are heard and their concerns resolved, they tend to focus on their jobs. It leads to improved job performance and in turn, job satisfaction.

**Planning :** Reservation diary, staff briefings, occupancy status report, sales report are the different tools of communication through which management gathers information. This information is essential for future planning.

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### **4.4 TYPES OF COMMUNICATION :**

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Communication is grouped into two groups as verbal communication and non-verbal communication. Verbal communication is further sub-grouped into two as written and oral communication. Non-verbal communication has many elements, such as body language, eye contact, voice, etc.

#### **4.4.1 Written Communication :**

Written communication is done using written symbols. It can be in the form of letters, fax, memos, reports, notes, write-ups, manuals, emails etc. Information that is not written correctly creates confusion and misleads the readers. Written communication serves as permanent records which can be stored for future use. In case readers belong to different geographical areas where accents are different, written communication becomes easier to understand. High cost, time-consuming, increased paperwork and a lack of immediate response are the demerits of written communication.

#### **4.4.2 Oral Communication :**

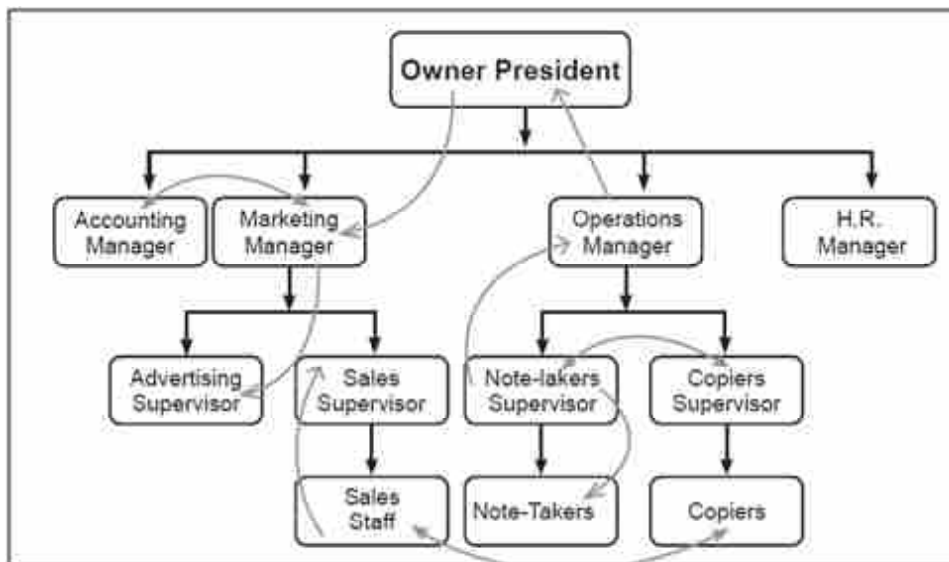
Spoken words make oral communication. Both sender and receiver of the information use words to express themselves. It is easy, effective and gives immediate response. To understand the information communicated by others, one

should listen carefully, which requires voluntary attention and understanding. For example, while recording complaints of unhappy guests, conversing with the travel agents or while taking instructions from management, one should listen patiently. Doing so enables the employees to perform to the satisfaction of the speaker. Effective listening by both management and employees results in increased productivity. But it has disadvantages of lack of authenticity and maintenance of records.

#### 4.4.3 Non-Verbal Communication :

Communication is also possible without words. This type of passing of information speaks about the relationship among people and is often more important than conveying through words. Non-verbal communication means the messages are sent through body language, posture and facial expressions. But it is also important to note that the gestures may be interpreted differently due to cultural differences. There is no one action which means the same all over the world; thus, it is imperative that a message is interpreted exactly the way it is intended.

#### 4.5 FLOW OF COMMUNICATION :



**Fig. 2 : Flow of communication**

**Upward communication :** When the information flows from subordinates (e.g. various reports or recommendations, etc.) to management, i.e. from a lower level to the upper level, it is called as upward communication. Suggestion boxes, review reports, complaints, etc. help the management to collect staff as well as guest feedback.

**Downward communication :** It flows from upper level to the lower level when the managers inform, instruct, or advice their subordinates about different policies and procedures in the form of memos, letters, mails and notices. Care should be taken to balance it with adequate upward communication.

**Horizontal communication :** It takes place amongst the groups of the same level in the organisation. It enables the sharing of information amongst peers, thereby building cooperation among the various branches of an organisation.

**Crosswise communication :** it flows in all directions and across all levels. Any employee can communicate with other employees at any level. In certain

situations, bypassing vertical and horizontal channels speeds up the action and prevents misunderstanding.

Now let us see different tools used by the hotel for effective communication.

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#### **4.6 LOG BOOK :**

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The front desk operates in shifts, and a different set of employees staffs each shift giving rise to the need for 'communication' between staff members of one shift to the other. Guest information that requires in-depth explanation or other matters regarding the operation is communicated via 'pass on log'. The pass on log takes the form of a large book, thus the name 'log book'. It documents daily activity and other issues so that a permanent record exists and is a written, recorded form of communication within the department. It is used to transfer any messages or instructions to the next shift, or for any specific person. For example, the staff may pass the information on VIPs in-house, VIP arrivals and important events in the hotel. This record helps in smooth functioning through coordination amongst departmental staff.

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#### **4.7 IMPORTANCE OF TELEPHONE DIRECTORY :**

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The front office department is the 'source of information' for all the guests. It provides information about the various facilities and services of the hotel and information about the city such as the routes to the nearest airport or railway station or hospitals and banks.

The front office staff must be able to respond in a knowledgeable way when guests contact the front desk for information. To provide this service satisfactorily the front office accumulates such data in the form of information directory. The information directory includes the following.

- Local restaurant recommendations
- Contacting a taxi company
- Directions to the local companies
- Directions to the nearest shopping centre, chemist, entertainment centres, cinema halls, places of interest in the city (spiritual, historical, scenic/wildlife sanctuaries etc.)
- Information regarding religious places
- Location of nearest branches of various banks, automated teller machine
- All information regarding guest services and facilities
- Information about the policies of the hotel

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#### **4.8 PROCEDURE OF MAIL HANDLING :**

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Handling of mail is an essential function performed at the front desk and is expected to be efficient. Delays or mistakes may lead to guest dissatisfaction.

##### **4.8.1 Classification of Incoming Mail :**

- Mail for the guest
- Mail for the hotel

Mail Handling Procedure for each guest type The mail is received at the bell desk or the information counter where it is sorted into guest mail and hotel mail and arranged alphabetically. After that, the mail is dated and stamped.

The guest mail can be classified into :

- a. Mail for in-house guests
- b. Guests expected on that day
- c. Guest who have already checked out
- d. Guest not yet arrived

Let us see how each of the above categories is handled :

- a. Mail for in-house guests : When a mail is received for an in-house guest, and the guest is in the room, inform him/her. If the guest asks for the mail to be delivered to the room, do so through the bell attendant. If the guest is not in the room, hand over the mail when he/she returns. The guest may also be informed using a 'mail advice slip' hung on the doorknob/handle. For this purpose, hotels also use message light on telephones or doors.
- b. Guests expected on that day : Mails for guests arriving on that day are kept at the reception with a mention on the reservation slip (in the PMS). On arrival of the guest, the mail is handed over.
- c. Guest who have already checked out : Mails of guests who have checked out are forwarded according to the instructions on the 'mail forwarding slip'. When guests leave no mail forwarding instructions, the mail is returned after 15 days or as per the policy of the hotel.
- d. Guest who has not arrived- if the guest is yet to arrive, but his/her mail has come, then it as to be arranged date-wise, alphabetically at the reception and handed over upon arrival.

#### **4.8.2 Handling of Parcel and Registered Mail :**

Whenever the hotel receives a registered mail or parcels for the guest, a separate register is maintained by the staff. After receiving an article and its subsequent delivery, this register is updated.

#### **4.8.3 Handling of Hotel Mail :**

Mail could be of individual staff, any department or management senior staff. In case of junior staff mail, the mail is sent to 'time office' where the staff coming on duty or going off duty can collect the mail. In the case of departmental mail or senior staff mail, it is sent to their office.

#### **4.8.4 Handling of Outgoing Mail :**

The senior bell attendant is responsible for all outgoing mail. He weighs it, puts appropriate value postage stamps on it and posts it. A Value Paid Out (V.P.O) voucher is generated, and the guest's signature is obtained on the voucher.

**Note :** Many hotels record mail handling details in the 'front office mail logbook'.

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### **4.9 HANDLING OF TELEPHONE SERVICE :**

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Communication is an essential function for effective and efficient operation in any hotel. A telephone is a tool through which the hotel can communicate with the outside world and within the hotel itself. Providing satisfactory telephone services lead to a 'satisfied guest', so the hotel management renders superior telephone services through the telephone department. Satisfying the personal requirement of the guest demands cheerfulness, speed, accuracy and cooperation in telephone service.

**4.9.1 General Telephone Manners :**

The telephone section offers various services in the hotel. Each service needs to be handled promptly and courteously. Hence, telephone operators must have a thorough knowledge of the procedures involved.

**Complaints :** A guest might call up the reception if he/she faces difficulties during his/her stay. Once the complaint is received, connect the guest to the concerned department in-charge by saying – "One moment please, I will connect you with the supervisor". While doing so show your genuine concern for the guest. Avoid sounding indifferent at any point in the conversation.

**Handling outgoing calls :** The guests are given direct dialling in their rooms, but in some instances, the guest may ask the operator to get the number. The operator has to say "May I help you please", in a cheerful voice. In case the number that is being dialled is busy, get back to the guest saying, "I am sorry the number is busy. May I call you again ?" Before connecting a number to the guest, ensure that the dialled number is correct.

**Connecting in-house :** The guest is provided with in-house service numbers in larger hotels, but in small hotels, this may not be the case. Even when the numbers are provided, guests may still ask the operator for the required services. In such cases, be patient and inform the appropriate service department to get in touch with the guest. Make sure that you get the correct room number of the guest.

**Handling incoming calls :** All the incoming calls have to pass through the telephone operator. When the operator picks up the incoming calls, he/she should wish according to the time of the day and announce the name of the hotel. "Good Morning, Hotel ABC". Whenever receiving calls for specific room guests, always ask for the caller's name. Connect the room guest only after announcing the name of the caller. In case there is no response, find out if the caller wishes to leave any message and connect the caller to the information desk by saying – "I am connecting you to the information desk, you may please leave your message with them". In some hotels, the calls for the guest may be directly transferred to the reception desk.

Before connecting a call to the guest room,

- Check if there is any 'do not disturb' intimation left by the guests.
- If so, politely note the message.
- It may also be that the guest is expecting a call and he may be inside the hotel premises but not in the room.
- If he has left a 'where about' slip, then transfer the call to that particular area.
- Take care not to connect callers with whom guests do not wish to speak and have so instructed.

The telephone operator also deals with calls for the official purpose of the various department and staff. The call, in this case, is directly connected to the particular department.

**Time Request :** The operator may be requested to tell the time, give the time shown on the clock in a manner of, 'eight minutes after seven', "seventeen minutes to ten" etc.



**Wake-up calls :** Receiving and handling wake-up calls is a significant service provided by the telephone operator. Here the guest requests the operator to be called at a specified time. One has to note down carefully the room number of the guest so that this wake-up call is not given to any wrong guest due to negligence. Similarly, make sure that the time of wake-up call is accurately jotted down in 24 hours clock time so that there is no confusion about request am / pm. While receiving a wake-up call request, be extra attentive and repeat the details to the guest. Entries are made in the designated column of the wake-up call sheet. While giving a wake-up call, the operator should say "Good morning Mr. Sharma it is three o'clock". If there is no response, the operator may call again. Sometimes guests receive the call but may not respond. The operator may call again and wait for an acknowledgement. When the task is completed, the wake-up call sheet is updated. In some cases, the guest may receive the call but may request a call back after some time. Repeat the time given and once again update the wake-up call sheet.

**STD/ ISD Calls :** In the age of the mobile phone, the role of the telephone operator has considerably changed. Despite this, the guest may still want to use the landline telephones to make a long-distance call. Although hotels offer direct dialling facility, the STD/ISD services may not be provided. For this, the guest has to request the telephone operator; the operator connects the number, notes down the duration to charge the guest accordingly.

**Handling calls for checkout guests :** The telephone department must be aware of all the checkouts of the day. A notice about the departed guests is received from the information attendant. Using this update, the operator answers callers for checked out guests by stating – "Mr ABC was staying with us, but has checked out today". It is a well-known fact that the telephones section is essential to communication. Therefore, telephone operators should practice the highest levels of telephone etiquette to earn an appreciation and create a professional image. To achieve this :

- Organise and plan your daily duties. Keep a pencil and notepad ready.
- Answer all calls courteously and promptly.
- Identify your establishment, department, yourself.
- Ask the caller's identity.
- Should not sound mechanical; instead speak clearly, slowly with voice modulations at the appropriate instances.
- Do not rush.
- Make notes, write clearly and legibly.
- Repeat the information taken down.
- Inform the caller courteously when you are transferring the call.
- Complete the call.

#### **4.9.2 Telephone Communication :**

While communicating on the telephone, the following points must be kept in mind :

- Callers may sense your expressions, so be courteous. Practice voice modulation.
- Practice being an active listener.

## Front Office Management

- There is a purpose behind each call. Do not keep the caller on hold for too long.
- Pick up the phone within three rings.
- Do not mispronounce names.
- While receiving an outside call, remember that you could be the first person that the caller is coming into contact.
- Do not pass on any information you are not sure.
- Make entry into logbook for any specific request or incomplete task.

### 4.9.3 Use of Telephones in Departmental Operations :

To perform departmental functions, departments communicate with each other through the telephone department. The telephone department has to co-ordinate with the other departments. The housekeeping gets complaints from the guests for any maintenance, which is routed through a telephone exchange. The food and beverage department also deals with telephones for room service or banquet events being held in the hotel.

#### □ Check Your Progress – 1 :

1. \_\_\_\_\_ is the nerve centre of the hotel.  
(A) Housekeeping (B) Front Office  
(C) Food & Beverage Service (D) Human Resource department
2. \_\_\_\_\_ is essential for establishing a long-lasting relationship with the guests.  
(A) Good communication (B) Health  
(C) Wealth (D) Good Service
3. Email is type of \_\_\_\_\_ communication.  
(A) Oral (B) Non-verbal  
(C) Written (D) None of the above
4. \_\_\_\_\_ is easy, effective and gives immediate response.  
(A) Oral (B) Non-verbal  
(C) Written (D) None of the above
5. \_\_\_\_\_ communication means the messages are sent through body language, posture and facial expressions.  
(A) Oral (B) Non-verbal  
(C) Written (D) None of the above
6. When the information flows from subordinates to management, it is called as \_\_\_\_\_.  
(A) Upward communication (B) Downward communication  
(C) Crosswise communication (D) None of the above
7. When the managers inform, instruct or advice their subordinates about different policies or procedures, it called \_\_\_\_\_ communication.  
(A) Upward communication (B) Downward communication  
(C) Crosswise communication (D) None of the above

8. \_\_\_\_\_ can speed up action and prevents misunderstanding.  
(A) Upward communication            (B) Downward communication  
(C) Crosswise communication        (D) None of the above
9. \_\_\_\_\_ aids communication between staff of different shifts.  
(A) Logbook                                (B) Mail / Parcel Register  
(C) Mail Advice Slip                    (D) None of the above

---

#### **4.10 LET US SUM UP :**

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**In this unit, we :**

- Stated the Importance and different types of communication.
- Discussed the role of communication to fulfil front office responsibilities.
- Described the use of different communication records as logbook and information directory.
- Explained the different telephonic guest services provided by the front office and Telephone Manners.
- Tracked the handling of hotel mail.
- Discussed the communication between the front office and other departments of the hotel.

---

#### **4.11 ANSWERS TO CHECK YOUR PROGRESS :**

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**Check Your Progress 1 :**

1. (B), 2. (A), 3. (C), 4. (A), 5. (B), 6. (A), 7. (B), 8. (C), 9. (A)

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#### **4.12 GLOSSARY :**

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**Central reservation system** – The meaning or definition of a CRS or Central Reservation System is a type of reservation software that is used to update and maintain information of a hotel about inventory and rates so that hotels can manage guest reservations and the process around such reservations in real-time.

**Delegating** – entrust (a task or responsibility) to another person, typically one who is less senior than oneself.

**Non-Verbal Communication** – Nonverbal communication is the transmission of messages or signals through a nonverbal platform such as eye contact, facial expressions, gestures, posture, and the distance between two individuals.

**Logbook** – A logbook is a book in which someone records details and events relating to something, for example, a guest request, follow up required and /or the action taken. It is used to pass information from one shift personnel to another.

**STD/ ISD Calls** – SD (International Subscriber Dialling) stands for International calls, STD (Subscriber's Trunk Dialling) for inter-state calls and PCO (Public Call Office) for local calls.

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#### **4.13 ASSIGNMENT :**

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Visit a hotel and find out the different types of equipment that are used for communication. Make a list of the same and compare them the basis of :

1. Speed of communication
2. Accuracy in communication
3. Technical difficulties in using the equipment
4. Do these equipments require specialised skills to operate ?

---

**4.14 ACTIVITY :**

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**Group Discussion**

Inter-departmental communication is the backbone for efficient hotel operations. Discuss the pro, cons and best practices for achieving the same.

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**4.15 CASE STUDY :**

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Mr Vraj Vakil is the CEO of a multinational company who visits Mumbai twice a month for a week and always stays in Hotel Sea View in the deluxe suite 405, which overlooks the Arabian Sea. He is a very important guest for the hotel, and the hotel staff is always on its toes to keep him satisfied. His secretary calls up at 11 p.m. to amend the flight details for the next day's pick up in a Mercedes Benz. Mr Vakil's flight was supposed to reach at 8 a.m., but due to change in his plans, he is now arriving by an earlier flight at 5 a.m. The front desk attendant takes the arrival information and passes it on only to the concierge who is entangled in peak time check-ins and answering guest queries. By the time he sorts these out, he is exhausted and confirms Mr Vakil's pick up for the next day at 8 a.m. instead of 5 a.m. Mr Vakil in the hotel at 7 a.m. in a taxi and his preferred suite is not ready (housekeeping was not aware of his early arrival). He is furious and icily gives the duty manager a piece of his mind.

In the above case, discuss the following.

1. How can the duty manager calm Mr Vakil down ?
2. Whose fault is it ?
3. Should the front office attendant have passed on his information to housekeeping as well as to the night shift so that they could have followed up for the necessary arrangements ?
4. Will Mr Vakil continue to stay at Hotel Sea View henceforth ? Why or why not ?

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**4.16 FURTHER READING :**

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1. Hotel Front Office Operations and Management – Jatashankar Tiwari – Oxford Publication
2. Managing Front Office Operations – 10th edition – Michael Kasavana – AHLEI Publication.



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**BLOCK SUMMARY :**

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**Communication and  
Front Office**

In this block, we explained what is public relation and discussed the techniques of it. We also stated and illustrated publicity and its specific problems. We understood the role of public relations in a hotel discussed the various attributes of the tourism public relation officer. Described the role of public relation officer and its duties and responsibilities. It takes no additional time, nor does it cost any more, for front desk attendants to be professional and respectful when interacting with guests. When being professional, front desk attendants will be productive rather than be efficient.

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**BLOCK ASSIGNMENT :**

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❑ **Short Answer Questions :**

1. Write in brief about the origin of public relation.
2. What is public relation ?
3. Write in brief about the public relation process ?
4. Explain the procedure for a wakeup call ?
5. Explain the procedure of distributing guest mails in hotels.
6. Explain the role of communication in fulfilling front office responsibilities.
7. Describe the communication between the front office and other departments of the hotel.

❑ **Long Answer Questions :**

1. What do you mean by publicity ?
2. List the different public relation techniques used in the hospitality industry.
3. How is public relation effective in the hotel industry ?
4. Write about the different traits of a Public Relation Officer ?
5. Write about the role of public relation in tourism.
6. How is Public Relation required for the internal public of an organisation ?
7. How is Public Relation required for External public of an organisation ?
8. Write the importance of external public relation.
9. What are the different types of letters received by the hotel ?
10. Explain the method by which a hotel ensures the delivery of guest messages.
11. What are the likely reasons for complaints by guests ? How should a front office assistant handle a complaint ?
12. Describe the use of communication records such as logbook and information directory.
13. Explain the telephonic guest services provided by the front office and telephone etiquette.
14. Track the handling of hotel mail.

# **FRONT OFFICE MANAGEMENT**



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**ISBN 978-81-945630-7-5**

**Edition : 2020**

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## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# FRONT OFFICE MANAGEMENT

## Contents

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### BLOCK 4 : IMPORTANCE OF COMMUNICATION

---

#### **Unit 1 Business Correspondence**

Introduction, Essentials of Effective Letter/Email, Language of Business Writing, Appearance of Business Letter/Email, Parts of Letter, Planning The Letter, Composing The Letter, Types Of Letters/Emails, Enquiries And Replies

#### **Unit 2 Property Management System**

Introduction, Property Management System (PMS), Guest's First Impression, Position of The Front Desk, Requirements of A PMS, Importance of Needs Analysis, Selecting A Team, Analysing Guest Flow Through The Hotel, Communicating Information, Reviewing Administrative Paperwork, Management Review of Information, Evaluate Needs That Have Been Identified, Assessing Needs Based On Findings, Choosing Software, Use of Details Entered In A PMS, Other Factors To Be Considered, Ergonomics, Vendor Claims, Hardware Installation Plans, Computer Training Programs, Backup Power Sources, Maintenance Agreements, Individual Modules of The PMS, Reservations, Revenue Management, Registration, Room Status, Posting, Call Accounting, Check-Out, Night Audit, Inquiries/Reports, Housekeeping, Food And Beverage

#### **Unit 3 Front Office Accounting**

Introduction, Front Office Accounting, Types of Accounts, Vouchers, Folios, Ledger, Front Office Accounting Cycle, Creation of Accounts, Maintenance of Account, Settlement of Accounts

#### **Unit 4 Check Out and Settlement**

Introduction, Departure Procedure, Check out Request, Luggage Handling, Accounting All Transaction, Apprising Guest Folio, Bill, Determination of Mode of Payment, Receiving Payment, Parting Activity, Communicating Departure to all departments, Modes of Settlement Of Bills, Foreign Exchange, Cash Settlement, Credit Settlement, Potential Check-Out Complications and Resolutions, Late Check-Outs, Long Queues At The Cashier, Improper Postings



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## ***Front Office Management***

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### **BLOCK 4 : IMPORTANCE OF COMMUNICATION**

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UNIT 1 BUSINESS CORRESPONDENCE

UNIT 2 PROPERTY MANAGEMENT SYSTEM

UNIT 3 FRONT OFFICE ACCOUNTING

UNIT 4 CHECK-OUT AND SETTLEMENT

# ***IMPORTANCE OF COMMUNICATION***

## **Block Introduction :**

The importance of communication in all business organisations has been emphasised in the earlier blocks. A significant part of this communication is the email which is an indispensable mode of modern communication. The first unit in this block details the factors to be considered for ensuring the effectiveness in communication. Email is widely used for business communication. It is a highly effective communication tool since it is inexpensive and only requires an Internet connection (already present in all business organisations).

Email usage can cover many areas within a business, but it cannot and should not replace face-to-face communication and other forms of communication. Many businesses use email as part of their marketing efforts to share information with prospects, customers, vendors.

This block discusses the importance of a property management system and the process of selecting of a suitable PMS and modules.

The front office accounting cycle has been described along with types of accounts, vouchers, folios and ledgers.

The last unit traces the guest departure procedure, lists the modes of bill settlement, identifies potential complications and recommends solutions.

## **Block Objectives :**

### **After going through this block, you should be able to :**

- Stated the importance of letter writing
- Differentiated various types of letters
- Identified effective methods used for writing.
- Illustrated how to write an official correspondence
- Identify the need for a PMS
- Explain the importance of a needs analysis
- State basic requirements of different departments from PMS
- Discuss details entered in a PMS
- Point out factors to be considered for selection of PMS
- List Front Office Accounting and its functions
- List various accounts kept by the front desk – guest account and non-guest account.

- List various vouchers and demonstrate their uses.
- List and demonstrate the use of master folio, guest folio, non-guest
- Front Office Accounting cycle – creation, maintenance, and settlement of accounts.
- Demonstrate the fourth stage of the guest cycle, i.e. check out procedure and settlement of bills.
- Classify different departure procedures in manual, semi-automated and fully automated systems.
- Identify various modes of settlements – cash or credit settlement.
- Classify various potential check-out problems – late check out, long queues at the cashier counter, improper posting of charges in the guest folio – and solutions.

**Block Structure :**

**Unit 1 : Business Correspondence**

**Unit 2 : Property Management System**

**Unit 3 : Front Office Accounting**

**Unit 4 : Check-Out and Settlement**



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**UNIT STRUCTURE**

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Essentials of Effective Letter/Email
- 1.3 Language of Business Writing
- 1.4 Appearance of Business Letter/Email
- 1.5 Parts of Letter
- 1.6 Planning The Letter
- 1.7 Composing The Letter
- 1.8 Types Of Letters/Emails
  - 1.8.1 Enquiries And Replies
- Check Your Progress 1
- 1.9 Let Us Sum Up
- 1.10 Answers For Check Your Progress
- 1.11 Glossary
- 1.12 Assignment
- 1.13 Activity
- 1.14 Case Study
- 1.15 Further Reading

---

**1.0 LEARNING OBJECTIVES :**

---

In this unit, we discuss the importance of letter/email writing, composing the content of a message and the format of various types of letters.

**After going through this unit, you should be able to :**

- State the importance of letter/email writing
- Analyse types of letters
- Identify effective methods used for writing letters/emails
- Illustrate official correspondences

---

**1.1 INTRODUCTION :**

---

This unit contains the necessary skills required for writing, like taking notes and developing them into drafts while using cohesive devices and abbreviations. Different types of letters, emails, with samples, are covered in this unit. A business letter/email has a distinctive structure and appearance where each part has a specific style, position and function. It is established by custom for its convenience in handling and processing correspondences in an office. A letter/email is usually an organisation's first contact with another organisation or person and makes a significant impression. Since, nowadays, literally, all of the

communication in business organisations are through emails, we will also study the ways of writing emails along with letter writing. To make your writing task easy, you should learn to put yourself in the shoes of the reader of your letter/email. When writing a letter/email or a report, think of the reader's likely response to the contents, style and tone. If your readers are laymen, the technical jargon that you use may not be understood at all.

---

## **1.2 ESSENTIALS OF EFFECTIVE LETTER/EMAIL :**

---

### **❖ Writing :**

Letters/emails are written for getting and giving quotations, making and answering enquiries, contacting potential customers, persuading potential customers to buy, making and answering complaints, making credit inquiries, collecting dues, and maintaining relations with various members of the public. Maintaining customer relations and handling problems require some very skilful letter writing. Professional organisations use every opportunity to write letters/emails to customers to create and maintain goodwill. Letters/emails must aim for a favourable response from readers. To write good letters/emails, you need knowledge of the language and a clear, concise style of writing. You also need knowledge of the working procedures, policies and aims of your organisation. You should be sincere, confident, self-respecting and friendly too.

### **❖ Cs of Effective Letter/Email Writing :**

The qualities which are essential for a good letter/email are collectively called the Cs of communication since most of them begin with the letter C, namely – correctness, clarity, conciseness and courtesy. Additional qualities are completeness, coherence, compactness, confidence, consideration, friendliness, directness and vigour.

#### **1. Correctness :**

##### **A letter/email must be correct in every respect :**

- In spelling, grammar and use of language. Incorrect language spoils the message, distracts the reader's attention and creates a poor impression of the sender; it may also convey a wrong meaning. All spellings must be checked; spellings of names must be checked with extra care; names if written with incorrect spellings always offend. Note that the computer cannot review all spellings; it will accept both "steal" and "steel" as correctly spelt words.
- In appearance and form of the layout – Poor and untidy appearance, with corrections made in ink or carelessness in the layout, creates a poor impression of the company. The appearance depends on placing the parts of a letter correctly on the letterhead and having adequate margins on all sides.
- In the information it conveys – Wrong or incomplete information is the most harmful thing in a letter/email; it leads to waste of time in making corrections and can lead to loss of goodwill and loss of business. Dates, days, time, numbers and facts must be correct. Nothing is more confusing than mismatched information, and correctness depends on completeness. A letter/email is complete only when it presents all the ideas and information required for a particular situation.

- In tone, formality and style. – The tone of every letter/email must be relevant to the occasion, the content and relationship between the writer and the reader. An overdone apology can sound childish or undignified; a grudging or patronising agreement to grant a request may sound unpleasant.

## **2. Clarity :**

The message of the letter/email must be evident in the first reading. There is an information overload in today's world with each piece of information vying for our attention. In this situation, one will appreciate a letter/email that is clear and precise because clear messages avoid misunderstanding and save time.

### **Clarity depends upon five factors :**

- Simple, everyday words which everyone can understand. Never send the reader to the dictionary. There should be no technical terms unless needed and if you are communicating within the profession. Abstract words like–beautiful and unjust are often misunderstood as they convey different ideas to different persons. It is better to use concrete words with a definite meaning or to give concrete examples and description.
- Short and simple sentences – Long sentences confuse the reader and often confuse the writer also. Phrases and clauses; should not be added on to a sentence. Each bit of important information should be given in a separate sentence. Sentences that are constructed with an average length of 15 to 20 words keep the writing clear. It does not mean all sentences should have the same length. Longer sentences are balanced with shorter ones, but the average sentence length should be well below 20 words.
- Proper punctuation – It helps to provide pauses and stops and to break up groups of words into sensible units. Besides the full stop, there are other, shorter pauses like the semi–colon and the comma which help to break up a sentence into readable units. A sentence can often be made easier to follow by using a punctuation mark.
- Give definite and concrete details with figures and names.
- Logical sequence of ideas – Making a clear plan for the letter/email ensures that the ideas are in logical order; coherence, that is, logical connection of ideas makes any composition easy to read.

## **3. Conciseness :**

Conciseness is expressing much in a few words; in business writing, it is achieved by being to the point, using fewer words without sacrificing clarity or courtesy. It does not necessarily mean being brief; instead, every word should count. Some companies lay down a limit of one page for inter–office memos to ensure concise writing.

### **Conciseness can be achieved by :**

- Leaving out unnecessary modifiers; for example, some writers talk of "new innovation"; (can there be an old innovation ?) or "very unique" (unique means only "one of its kind"). Other examples are : "advance plans", are "actual experience", "cylindrical in shape", "three cubic meters in volume".

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- Shortening sentences to phrases or phrases to single words like,

Phrase	Short Phrase
In the form of	as
In many cases	often
Exhibits the ability to	can
On the event of	if
At a later date	later
- Making sure that only relevant details are included. Using more words than necessary, confuses the idea as in the following sentence :

"Our experience with having Mr X as credit customer has been reasonably favourable and we believe that he may be allowed to enjoy the benefits of a credit account of a moderate amount."

The writer may have been trying to be non-committal, but the sentence does not convey exact meaning. A concisely written sentence would be easier to understand.

"Our experience with Mr X as credit customer has been favourable and we consider him to be safe for a credit account of up to Rs. 60,000/-."

Conciseness and clarity are closely related; giving clear and definite details often reduces the length of a sentence; for example :

**Instead of – "I have immense pleasure in informing to you the fact that...."**

**Correct usage – "You will be glad to know that...."**

#### 4. Courtesy :

To be courteous is to be polite. A well-mannered and courteous person shows consideration and thought for others. In a letter/email, the style, the manner and the choice of words reflect the courtesy of the writer. Some simple courtesy rules are :

- Use courteous words such as please, thank you and sorry as the situation requires.
- Express appropriate feeling according to the situation.
- Make the other person feel comfortable. Care and consideration for the reader is reflected in the letter/email
- Requests must also be made courteously : "We would very much appreciate it if you could send your cheque within three days of receiving our bill."
- Be attentive and prompt in responding – Every letter/email should be answered within twenty-four hours. If it is a letter of complaint, the response should be immediate; it is courteous to make a phone call immediately on receiving a complaint or hearing about a problem. Everyone appreciates prompt attention.
- Let your tone and choice of words reflect your consideration for the feelings of the reader. It is particularly important if the message to be conveyed is likely to be unpleasant for the reader. A courteous letter/email has the best chance of getting a favourable response. Seeing the situation as the reader sees it, and taking care of his/her needs, is courtesy. You must be aware of how the words sound to the reader.

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### **1.3 LANGUAGE OF BUSINESS WRITING :**

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Old fashioned business language is unsuitable for the modern business world. Today's business language is simple, easy to understand, friendly and courteous. Businesses try to develop personal relations with customers through friendly letters/emails that are written in a natural and informal style. Letters/emails must also build goodwill and create positive and pleasant feelings in the reader. Whatever the intended message, the writer must seek a favourable response from the reader. Business executives often have a large amount of written material vying for their attention. The brief contact with the reader which a letter makes must therefore be pleasant and memorable. How a company's letters/emails are written contributes a great deal to its public image.

Avoiding Business Jargon. Jargon refers to the vocabulary peculiar to a particular trade or profession. Business jargon refers to the vocabulary which businesspeople used in the old days for writing letters. Today, business people are well educated and write good English. Letters, emails, memos and notes and reports are written in a modern, simple style which is easy to understand. Unfortunately, some companies continue to write in the old-fashioned kind. They fail to make personal contact with the reader; they are to be strictly avoided.

Organise the message to suit the reader's convenience. Appeal to the common human needs and desires like the desire for security, status, leisure, comfort, need for sympathy, courtesy and consideration. A customer who has not paid his dues could be approached by pointing out that he would be free of commitments and would protect his reputation if he paid promptly. A problematic situation like refusing credit terms can be tactfully handled by stressing the customer's advantage in buying on cash, such as freedom from commitments, gains in the form of discounts, and avoidance of risk.

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### **1.4 APPEARANCE OF BUSINESS LETTER/EMAIL :**

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Letters and emails must be neat and error-free. Ensure even spacing between words and lines and double spacing between paragraphs. The margins for a letter are usually one-and-a-half-inch on the left and one inch on the right and at the bottom. The same margins may continue to any continuations sheets.

Each organisation selects a suitable style of layout, and all employees are expected to use the style chosen. Templates may be created on computers for use across the organisation.

To make reading easy, break a composition into readable paragraphs that are logically sequenced. Doing so also improves the appearance of the piece since a large block of writing may seem unpleasantly monotonous. Moreover, a fair amount of white space on a page is restful to the eyes. Therefore, in business letter/emails, paragraphing is important for appearance as well as composition.

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### **1.5 PARTS OF LETTER :**

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Different parts have their fixed location on the sheet; there is a slight variation from left to right in the different styles of layout; their order of appearance from top to bottom is the same in all styles.

The main parts of the letter/email, apart from the text of the message are Date, Inside address, Salutation, Complimentary close and Signature. In addition to these, the following details are included, according to the requirement of each

## Front Office Management

message : Appropriate salutation, Subject line, Attention line, Message content, Closing lines, Signature.

### ❖ **Date :**

Official documents/emails should mention the date clearly as a reference point for further correspondence and while following up.

### ❖ **Recipient Address :**

Recipient address is the name and address of the receiver as it appears on the envelope/email. The recipient's name should be verified to ensure that it reaches him/her.

An attention line may be used if, from previous communication, you know the name of the contact person handling the matter. The letter/email is addressed to the organisation, but directed to the attention of that contact person, by name. It ensures the letter reaches the contact person without delay. An attention line is not used if the letter is addressed to an individual by name.

The attention line is placed in the subject line. It does not affect the salutation.

### ❖ **Subject line :**

A subject line gives a brief indication of the subject of the letter/email and helps focus the reader's attention to the main issue. It is also used for classifying and filing the letter. It is placed above the salutation; in full block form. In modern practice, for writing letters, the subject line is placed at the margin below the salutation, without any introductory word. It may be in capital letters or initial capitals and underlined; for example : "Subject : Order No. – 175/03"

### ❖ **Salutation :**

Salutation begins at the margin, just before the message content, and is followed by a comma (in America, the comma is replaced by the colon). If the letter/email is addressed to an organisation, the salutation is plural. Letters addressed to specific officials are mentioned only by designation, for example, "The Security Officer" the salutation is singular – Sir or Dear Sir, and if the official happens to be a lady, the salutation is – Madam or Dear Madam. It is also quite common to address business letters to an official by name and designation, for example, Mr A.P. Shah, Sales Manager, or Ms A.B. Coelho, Finance Manager. In this case, the salutation is Dear Mr Shah or Dear Ms Coelho. Ms can be used; before a lady's name as it stands for both Miss and Mrs.

### ❖ **Complimentary Close :**

The complimentary close is written or typed two line spaces after the last line of the text of the letter/email and is usually placed on the right. The most common form being – Yours faithfully; other standard forms are Regards, Warm Regards, Thanks and Regards, etc.

### ❖ **Signature :**

The signature is placed below the complimentary close while the name of the signatory is typed three or four line spaces below. The designation/title is mentioned below the name. Most companies include the name of the company just below the complimentary close, or below the name and designation of the person.

❖ **Reference section :**

The reference section includes enclosures, names of parties to receive copies (CC), the type of delivery service to be used, and initials of the persons who dictated and typed the letter.

❖ **Enclosures/attachments :**

Enclosures/attachments are related documents sent with a letter/email; bills, cheques, quotations, brochures, price–lists, etc., which has been mentioned in the letter/email and are sent as enclosures/attachments. If there are many enclosures, they should be numbered and placed behind the letter in the order of their serial number (in case of a letter).

❖ **Copies :**

When a matter concerns more than the sender and receiver, a copy of letters/email related to the topic is sent to the other concerned parties. If the receiver of the letter/email is not to be informed that copies have been circulated to others, bcc (blind copy circulated) is shown on the office file copy and the 'bcc' copy.

❖ **Postscript :**

Postscript is the last bit of writing (not more than three lines) added to the letter/email after the signature and after enclosures/attachments; It conveys additional (sometimes unrelated) information that may not be part of the main message and is short.

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## **1.6 PLANNING THE LETTER :**

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Careful thinking, reasoning and planning before writing a letter/email have advantages.

It helps calm any emotions (like anger), which can spoil the communication if it is reflected in the letter/email. It ensures that all information and ideas are included and are correct.

It enables you to compose the letter/email in a logical order and the style most suitable to the needs of the recipient. Communication may be separated into two elements – planning the content, and choosing the language/style for presentation.

It involves thinking about the purpose, the recipient, and the desired response from the recipient.

After deciding the content, write it down in the form of notes, including all relevant information, and number the points in a logical order. Since a letter/email is a short composition, it is easy to arrange the collected notes in the structure of a letter.

The first point may have one or two sentences, while the second one forms the main content and may need more than one paragraph. The third and the fourth point may be combined to form an ending of the letter/email, and each may take only a sentence. The main message of the letter/email should be carefully structured and the points arranged in proper order. Always put the reader's interests first; the order should be suitable for the reader's interest and convenience. Some possibilities are :

- While replying to a letter/email, use the sequence laid out in the original; this is logical and prioritises the reader's concerns.

- When conveying a series of events, use chronological order in the order of occurrence.
- An ascending or descending order of importance may be used, depending on how useful, comfortable or easy it will be for the reader.

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### **1.7 COMPOSING THE LETTER :**

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At the stage of composing, give attention to the language and style. Consider the recipient; a good deal depends on how much the recipient knows, the relationship between the sender and the recipient, and the recipient's attitude to the issue being discussed in the letter; all these aspects can influence the recipient's response.

#### **❖ Opening and Closing a Letter :**

The first and the last paragraphs are significant in a short composition like a letter/email. Use them both to the maximum effect. Avoid beginning the letter/email by repeating the subject line. Similarly, do not end it by making a flat or useless statement. Each of them has a definite function.

#### **Opening Sentence :**

Consider these old-fashioned openings. It has come to our attention that the records submitted in connection with.....

Reference is made to your memorandum of Feb. 6, same subject as above.

None of these sentences makes direct contact with the receiver; there is no friendly feeling in them. Such sentences put off the reader at once.

We are extremely sorry to learn from your letter dated 23 September that you were not able to get good photographs.

Showing interest in the reader's needs and paying attention to his feelings and desires creates goodwill at the beginning of the letter.

#### **Closing Sentence :**

Consider these poor closing sentences :

- May we again express our gratitude for the valuable feedback shared by you.
- No doubt this account is receiving your attention, and we await your remittance
- in due course for which we thank you in anticipation.
- Hoping that the foregoing one will meet with your approval.

They are almost meaningless; there is no pleasant thought or idea for the reader to remember.

Clarity, goodwill, courtesy and self-respect is most important in the last paragraph. The last sentence has two functions : (i) to tell what is the next action to be taken and who is to take it, the writer or the reader; (ii) to win a favourable response for whatever has been said or (iii) if the matter has been finally settled, and no further action or communication is to follow, a goodwill message would be a suitable ending.

If the writer is to take the next action, the letter/email may end :

- Our representative will visit you on the 15th at 10 a.m.
- We shall let you know the result as soon as the test is completed.



- If the reader is to take the next action, the letter may end :
- Please sign and return the enclosed card.
- We are expecting your cheque for Rs. 40, 000/- within a week.
- May we request you to send us your payment this week ?

In letters/emails which try to persuade the reader, the last sentence can either add to or take away from the effect of the stated arguments. A firm, persuasive and convincing argument can easily be spoiled by a weak ending like, "We hope you will see the point" or "We trust the matter is now clear." A confident and lively end has a better chance of getting action :

- We are sure you will take advantage of this offer and place your order before the 9th.

In the final letter/email, after which there will be no further correspondence on the topic, the last sentence conveys a friendly goodwill message :

- We wish you all success in your new business venture.
- We sincerely regret the inconvenience which was caused to you.
- We shall be happy to give you any help which you may need from us at any time.
- Thank you once again for the help you gave us in this matter.
- We do hope we shall have occasion to be working together again.

The last sentence could leave a lasting impression on the reader and may be used to remind him/her about the last date for taking action or impressing upon him/her the advantage offered or for leaving a pleasant memory.

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## **1.8 TYPES OF LETTERS/EMAILS :**

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### **❖ Complaints, Claims and Adjustments :**

In any business, there could be mistakes and mishaps; you may not get the goods and services as you had expected and ordered. If things go wrong on your order, you have to inform the supplier about the problem and see that the faults are corrected, and adjustments are made.

Make a phone call as soon as the problem is noticed, to inform the supplier of the defect or deficiency, and then confirm it immediately with a letter/email. One need only point out the mistake in the execution of the order and leave it to the supplier to adjust. In the case of a technological product, the seller is usually anxious to make sure that it functions properly with the customer.

When there is a mistake in the execution of your order, you may feel angry, but it is crucial to control your anger and speak and write calmly. You may have to bear inconvenience even though it is not your fault, but you are not necessarily the loser of money.

As a buyer, you have to take steps to reduce the inconvenience, and you must make the supplier take steps to reduce your inconvenience and make adjustments.

### **❖ Keep in mind the C's of good letter writing :**

- State the problem correctly and without exaggeration. Although anger sometimes makes you eloquent, be restrained, and give a factual account of the problem.

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- Be clear and concise in your description. Suggest how the problem may be corrected; if you do not know what can be done, ask what the supplier proposes to do. Do not delay writing the complaint; delay weakens your position and also makes investigation difficult for the supplier.
- Courtesy is of great importance; resist the temptation to accuse the supplier of carelessness, negligence or inefficiency. Do not use offensive and discourteous words like dishonest, careless, unfair, false, disgusted, useless and inefficient. Use passive voice to mention errors. Saying, "Our consignment of crockery was not packed with the necessary care", is politer than saying, "You packed our consignment of crockery carelessly."

### ❖ **Complaint Letters :**

The most common letters/emails in business are guest enquiries about goods and services and service providers' replies giving information and quotations. Today, a good deal of information about goods and prices is conveyed by telephone or email or fax. Still, all parts of the country and all people do not have these facilities and prefer to use letters/emails so that they have a document and a record for reference. In these letters/emails, the direct approach is used to save time.

### **1.8.1 Enquiries and Replies :**

To ask for information, you can begin directly with a question or request like :

- Could you give us the following information ?
- Please send us the following information.
- I would appreciate it if you could provide the following information.

The letter/email may also begin with an indication of the need. Indicating the purpose for which the information is being sought helps the supplier to give relevant information, especially in the case of products with a wide variety of models. A dealer in computers will be able to provide useful information and a quotation only when he knows the buyer's specific need.

- We intend to set up a computer laboratory with the capacity for 40 students to work at a time. The room in which the laboratory is to be set up measures 6x7 meters.
- We have been awarded a contract for the construction of a railway bridge across River XYZ. This river is prone to tidal waves. The work is to be completed in four years. We would appreciate receiving the following information from you.

A series of direct questions may follow this opening paragraph.

End the letter/email with a friendly comment which will leave a sense of personal relationship. Endings like "An early reply would be appreciated" or "Thanking you in advance" is weak and outdated. It is more effective to end a letter/email with a more business-like sentence, such as : "I thank you and look forward to your considerations in this regards."

### ❑ **Check Your Progress – 1 :**

1. \_\_\_\_\_ are written for getting and giving quotations, making and answering enquiries, contacting potential customers.  
(A) Letters (B) Memos  
(C) Contracts (D) None of the above

2. The qualities which are essential for a good letter/email are collectively called the \_\_\_\_\_.  
(A) As of communication                      (B) Cs of communication  
(C) Ds of communication                      (D) None of the above
3. The appearance depends on placing the \_\_\_\_\_ correctly on the letterhead.  
(A) parts of layout                              (B) all of the layout  
(C) All the above
4. Clearly written messages avoid \_\_\_\_\_ and save time.  
(A) understanding                              (B) misunderstanding  
(C) confusion                                      (D) B & C
5. \_\_\_\_\_ sentences confuse the reader, and often confuse the writer also  
(A) Split                      (B) Short                      (C) Long                      (D) All the above
6. \_\_\_\_\_ means expressing much in a few words  
(A) Conciseness   (B) Elaborateness   (C) Clarity                      (D) Punctuation
7. Use the courtesy words \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ as the situation requires  
(A) Yes, No, May be                              (B) please, thank you and sorry  
(C) okay, no, never                              (D) none of the above
8. Modern business language is simple, \_\_\_\_\_, friendly and courteous.  
(A) Stupid    (B) Creative  
(C) Flowery    (D) easy to understand
9. Courtesy is of great importance; resist the temptation to accuse the supplier of \_\_\_\_\_ , negligence or inefficiency.  
(A) Truthfulness   (B) Cheeky                      (C) Carelessness   (D) All of the above

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### **1.9 LET US SUM UP :**

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**In this unit, we :**

- Stated the importance of letter/email writing
- Differentiated various types of letters
- Identified effective methods used for writing.
- Illustrated how to write an official correspondence

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### **1.10 ANSWERS FOR CHECK YOUR PROGRESS :**

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**□ Check Your Progress 1 :**

1. (A), 2. (B), 3. (A), 4. (B), 5. (C), 6. (A), 7. (B), 8. (D), 9. (C)

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### **1.11 GLOSSARY :**

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**Complaint** – a statement that something is unsatisfactory or unacceptable.

**Email** – messages distributed by electronic means from one computer user to one or more recipients via a network

**Letter** – a written, typed, or printed communication, sent in an envelope by post or messenger.

**Business Jargon** – Business jargon is the specialised language used by members of corporations and bureaucracies. Also known as corporate jargon, business–speak, and bureaucratese. Business jargon typically includes buzzwords, vogue words, and euphemisms. Contrast with plain English.

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**1.12 ASSIGNMENT :**

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You are the Purchase officer of Hotel Vibgyor, 24, Vijay Marg, Patna. Write a letter for Ageless Crockery Inc., 121, Paharganj, New Delhi, reporting that the three of the six consignments containing glasses have been received in a damaged condition. Ask for replacement of the damaged goods and seek compensation for the postage charges incurred.

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**1.13 ACTIVITY :**

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Gracious Foods Inc., Pune, has decided to enter the catering business and is planning to open its outlets in some of the major cities of the country such as Delhi, Mumbai Calcutta, Pune, Chennai, Bengaluru, Jaipur, Chandigarh and Lucknow. As the marketing head of the company, prepare a sales and promotion letter to be sent to the public to promote and publicise the company's food outlets.

**Checklist for Business Letter**

**Having drafted a business letter, answer the following questions before sending it to the reader**

1. Is the letter written in a courteous, polite and warm manner ?  
Yes( ) No( )
2. Does it have all the information required by the prospective reader for taking the desired action ?  
Yes( ) No( )
3. Does it have a proper reference no., date and subject line ? Yes( ) No( )
4. Does the letter begin with a proper salutation ? Yes( ) No( )
5. Does the letter have an appropriate tone suited to the occasion and the subject matter ?  
Yes( ) No( )
6. Does the letter end on an appropriate complimentary close ?Yes( ) No( )
7. Does the layout of the letter consistently maintains the block, semi–block, or fully block form ?  
Yes( ) No( )
8. Is the letter divided into different paragraphs for taking up different ideas with the reader ?  
Yes( ) No( )
9. Does the letter give complete information about the company's name, address, contact numbers, website, etc., in its header at the top ?  
Yes( ) No( )
10. Does the letter leave on the reader a good impression about you and your organisation ?  
Yes( ) No( )

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### **1.14 CASE STUDY :**

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As a General Manager of Hotel Hi Hills Avenue, you have received a complaint from Gramsevak of the village in which your hotel is. This complaint is about unruly, rude and offensive behaviour of the staff of the hotel with the villagers. Draft an apology letter expressing your regret and assuring action from your side.

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### **1.15 FURTHER READING :**

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1. Hotel Front Office Operations and Management – 9th Jatashankar Tiwari – Oxford University Press.
2. Communication Skills – 2nd Edition – Sanjay Kumar, Pushp Lata – Oxford University Press



**UNIT STRUCTURE**

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Property Management System (PMS)**
- 2.3 Guest's First Impression**
  - 2.3.1 Position of The Front Desk**
- 2.4 Requirements of A PMS**
  - 2.4.1 Importance of Needs Analysis**
  - 2.4.2 Selecting A Team**
  - 2.4.3 Analysing Guest Flow Through The Hotel**
  - 2.4.4 Communicating Information**
  - 2.4.5 Reviewing Administrative Paperwork**
  - 2.4.6 Management Review of Information**
  - 2.4.7 Evaluate Needs That Have Been Identified**
  - 2.4.8 Assessing Needs Based On Findings**
- 2.5 Choosing Software**
- 2.6 Use of Details Entered In A PMS**
- 2.7 Other Factors To Be Considered**
  - 2.7.1 Ergonomics**
  - 2.7.2 Vendor Claims**
  - 2.7.3 Hardware Installation Plans**
  - 2.7.4 Computer Training Programs**
  - 2.7.5 Backup Power Sources**
  - 2.7.6 Maintenance Agreements**
- 2.8 Individual Modules of The Pms**
  - 2.8.1 Reservations**
  - 2.8.2 Revenue Management**
  - 2.8.3 Registration**
  - 2.8.4 Room Status**
  - 2.8.5 Posting**
  - 2.8.6 Call Accounting**
  - 2.8.7 Check-Out**
  - 2.8.8 Night Audit**
  - 2.8.9 Inquiries/Reports**
- 2.9 Housekeeping**

**2.10 Food And Beverage**

**Check Your Progress 1**

**2.11 Let Us Sum Up**

**2.12 Answers For Check Your Progress**

**2.13 Glossary**

**2.14 Assignment**

**2.15 Activity**

**2.16 Further Reading**

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**2.0 LEARNING OBJECTIVES :**

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In this unit, we have discussed the essential points to be considered while selecting and installing a Property Management System (PMS) in a hotel.

**After completing this unit, you should be able to :**

- Identify the need for a PMS
- Explain the importance of a needs analysis
- State basic requirements of different departments from PMS
- Discuss details entered in a PMS
- Recommend factors to be considered for selection of PMS

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**2.1 INTRODUCTION :**

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Computer applications are critical to front office operations in modern hotels. Computers are standard equipment for new properties. Existing hotels have been integrating computers into everyday operations to provide better products and services to guests. Computer applications routinely process reservations, handle registrations, guest charges, guest check-out, and night audit. Interfacing digital sharing of data in hotel departments such as food and beverage and gift stores through point-of-sale (POS); maintenance and monitoring of heating and cooling systems; and security through control of guest keys are just some of the applications explored in this unit.

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**2.2 PROPERTY MANAGEMENT SYSTEM (PMS) :**

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Upon the commencement of a career in the hospitality industry, one would want to develop a thorough understanding of front office computer applications. It does not refer to one particular computer hardware or software system. Training at any property will include specific operating procedures to produce reports or review information from the database.

You will notice that PMS is not limited to only the front office. It interfaces with other departments including housekeeping, food and beverage, marketing and sales, accounts, engineering and security. Every department plays a role in serving the needs of guests – before, during, and after a guest's stay.

The first part of this unit sets the stage for adopting a PMS. Software and hardware are discussed, as are other considerations in choosing a PMS. The final section of the unit discusses the various computer modules of the PMS as they apply to the hotel industry.

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## 2.3 GUEST'S FIRST IMPRESSION :

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The front desk has always held a position of importance in the hotel's operation.

It is usually the first point of contact for a guest, and first impressions about the hotel are made here. The front office should convey first impressions of neatness, orderliness, attractiveness, quality and professionalism to guests. Guests want to feel important, safe, and in the hands of professionals. The physical layout of the front desk creates a positive image for the hotel and the front office.

The ability of the front office to provide hospitality to the guest and promote in-house sales is of prime importance to the financial success of the hotel. To meet these objectives, a well-planned physical arrangement of the front desk is essential.

### 2.3.1 Position of the Front Desk :

**Equipment :** The front desk should be designed to accommodate guests while enabling the efficient flow of work for employees. Guests at no point should have to wait too long for any service as this will lead to a negative first impression. Likewise, an associate who has to wait to use a printer or share a computer terminal will not be as efficient. When you know are familiar with the flow of guests and related processes at the front desk, it is easy to plan a layout with the required physical equipment.

**Guest Safety :** The situation of the front desk is usually dependent on the location of the main entrance of the building as well as the elevators. The front desk attendant or the night auditor must be in a position to be able to observe all who enter the hotel to ensure a safe environment for guests.

The security issues emerging after 9/11 (USA) and 26/11 (India), render the position of the front desk with more importance. Its staff now act as front-line sentinels, trained to be observant and efficient in summoning the right people to investigate a situation.

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## 2.4 REQUIREMENTS OF A PMS :

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One of the features of the PMS is that it can be customised to the specific needs of individual hotels. This section focuses on the configurations that should be part of a PMS. It begins when the front office team conducts a needs analysis. The needs analysis should focus on the guest flow in the hotel and review interdepartmental communication needs. Administrative paperwork generated by the management in all areas of the hotel should also be considered. After management gathers relevant data concerning operational requirements, it must objectively determine whether a computerised system/PMS will help improve guest service. Other essential concepts covered here include software selection considerations and computer hardware terminology.

### 2.4.1 Importance of Needs Analysis :

Selecting new equipment (in this case, computers) for a hotel property should ideally be done after a needs analysis is conducted. Analysing the flow of information and services of a specific hotel helps determine whether the new equipment (computers) can improve the flow. Bottlenecks that occur during registration or the lack of information from the housekeeping department on the occupancy status of rooms can all be minimised by using computers at the front



desk. Once the operational flow analysis is completed, computer applications can be developed to improve operational efficiency. The importance of needs analysis becomes most evident when you consider the things that can go wrong without such an analysis. Cost, both initial and long-term, is the first area of concern for property owners and managers.

A system that works well for one city hotel may not meet the needs of a city hotel in another location or for that matter, a motel in the same area. Any amount of technological gadgetry will fail to impress a guest if the system fails to deliver. The system must deliver on the demands of the staff as well as the guests. An inappropriate PMS will produce reports that are not useful to the management, may have limited functionality and result in the cost exceeding the value.

For example, a hotel owner who purchases a PMS that speeds registrations but does not allow housekeeping staff to input room status will face challenges.

**Procedure for performing a needs analysis.**

1. Select a team to analyse needs.
2. Analyse the flow of guests through the lodging property.
3. Analyse the flow of information from other departments to the front office.
4. Analyse the administrative paperwork generated in other departments.
5. Review the information gathered in steps 2, 3 and 4.
6. Evaluate these needs – control reports, communication and administrative paperwork produced in other departments – in terms of importance.
7. Combine needs to determine desired applications.

**2.4.2 Selecting a Team :**

The first and most significant step while performing a needs analysis before adopting a PMS in a hotel is to select a team. This team will determine what reports and information need to be generated. The analysis team must consist of employees from both the management and operational levels. Such a team is better suited to see all aspects of the operation. The management staff can provide input on the overall objectives, while the operations staff is better aware of daily requirements. A front office manager who feels the reservation system is not efficient may realise that the associate not only agrees but also can offer suggestions for improving the situation.

**2.4.3 Analysing guest flow through the hotel :**

The second step in needs analysis is to analyse guest flow through the hotel. It will provide a structure for a detailed analysis of the process. The guest stay does not begin when the guest checks-in, but when a reservation is made. In reality, the guest stay starts right from the time when guests select a property as a result of marketing efforts.

Various other issues may be analysed. These include the ease with which the telephone system can be used; the accessibility of room occupancy status for guests on a particular date; the time it takes to complete a reservation; the method used to confirm a booking; the procedure used to block rooms; and the ways of finding a particular reservation. Likewise, the methods for collecting guest information upon check-in, the process for ensuring the correct posting of guest charges, the time needed for a guest to check-out, the procedure used to settle

a guest's disputed charges, and the process for meal and phone charges just before check-out can be analysed.

#### **2.4.4 Communicating Information :**

The third step in a need's analysis is to look at the information coming in from other departments to the front office. How is data regarding occupancy status received from the housekeeping department ? How does the security department confirm the integrity of guest keys ? How is the email system used ? A good PMS should embrace all of these lines of communication.

#### **2.4.5 Reviewing Administrative Paperwork :**

Reviewing the administrative paperwork is the fourth step. How does the human resources department maintain current and ex-employee records ? How does the marketing and sales department generate direct mail advertising ? How are banquet function books and function sheets maintained ? How are tickler files (date labelled file folders) maintained ? How are work orders processed ? How are daily menu specials derived ?

#### **2.4.6 Management Review of Information :**

In the fifth step of the analysis, management must review the information collected to decide whether needs are being met. For example, is the marketing and sales department making mistakes because the front office staff is providing incorrect information concerning the inventory of available rooms ? Are desk attendants unable to check the occupancy status of a guest room in real-time because the housekeeping department is not providing it ? Have room rates been misquoted, leading to revenue loss for the hotel ? Is the night auditor unable to retrieve guest room status to confirm or guarantee reservations ? Why does the night auditor not request a guaranteed reservation ?

#### **2.4.7 Evaluate Needs that Have Been Identified :**

This step requires a dialogue between department managers as to the significance of the reports produced as they relate to building guest service and the financial success of the operation.

Each module in the PMS will have an associated cost, and the justification for that cost can be simplified if discussions focus on the goals of the operation.

#### **2.4.8 Assessing Needs Based on Findings :**

The last step in the analysis is to combine operational and administrative needs to decide which computer applications are relevant to the hotel. Since departments share a room inventory database, it is usually worth the financial investment on a PMS. A word processing module to create direct mail letters, regular communication, and daily menus might also justify a particular module of a PMS. The needs analysis allows you to know what you require and what you do not. And it will help you choose from the many systems available.

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### **2.5 CHOOSING SOFTWARE :**

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Selecting computer software that process data such as guest information and aid in financial transactions and report generation, is more important than selecting computer equipment like central processing units, keyboards, monitors and printers. The effectiveness of a PMS depends on choosing software that allows management to increase guest satisfaction and allows easy access to

financial and informational data for control purposes. The data obtained from the needs analysis provides a framework for evaluating the numerous software packages on the market today.

Each software package offers numerous features. It is essential to select a PMS that is most suitable for your needs. Most software available in the market today include guest service, accounting and information modules that are standard for the hotel industry. Explore the guest service features, accounting options and information applications to decide which PMS is best for your hotel. Software vendors will discuss the options that fit the size of the hotel and the needs of the guests.

If you feel the modules of a particular software package will not help you manage your property better, or that adding a specific module will not increase guest satisfaction, or that no obvious savings will result from creating more sophisticated accounting reports, or that the arrangement of historical information about guests will not be beneficial, in that case, you should not adopt that PMS. You control the software selection since its function is to help you do a better job. Only you can decide which software applications are useful in your facility.

**Examples of how PMS modules can be applied :**

The marketing and sales department of any hotel will find computerisation of client files, meeting room information, and guest history useful. Composing of direct mail for a smaller property would perhaps be best outsourced, while a larger property may benefit with the use of a PMS module. A module that has a database of travel agents and processes their fees is useful to any size property. The night audit is a universal necessity for properties of all sizes. A few keystrokes replace the former eight hours of labour balancing the guest ledger and city ledger. The front desk module is acceptable at both large and small hotels with its applications for check-in, check-out, room status, postings to guest accounts, advance deposits and cashier options. The call accounting system option found its way into the hotel's front desk before some of the other modules, like the point-of-sale in the restaurant. A maintenance module is more suited for a large hotel, whereas a small hotel can rely on an in-house email system, the telephone, or paper mail system. Like other technologies, the PMS should be evaluated against the goals of the hotel, guest needs, and the budget.

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**2.6 USE OF DETAILS ENTERED IN A PMS :**

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The capability to interface among computer databases (sharing or networking of information) is critical. This concept must be designed in the PMS so that it contributes to the effective delivery of hospitality to guests and generates a return on investment. As computer applications become sophisticated, sharing databases is essential. For example, the information recorded at the time a reservation is made can be used by the marketing and sales department to generate extra business. The point-of-sale data recorded in the restaurants can be evaluated by front office staff to check how they can better their hospitality delivery skills towards guests on arrival. For example, if the staff is aware that a guest likes to order a particular French dessert as part of his meal, then they can perhaps use that as part of the welcoming chat upon arrival. Alternatively, suppose a review of a guest folio reveals that she played a particular sport during her previous stay. In that case, the staff could mention the opportunity to schedule a time for that sport. All of these ideas will help make the guest feel important and generate a positive return on the investment for the PMS.

The positioning of computer hardware at workstations should primarily be based on the same workflow analysis used for any new process or equipment. The needs of the guest (the end-user), the employee who will operate the equipment and all other staff who will want to access the information, should be taken into consideration. The details you gain from the needs analysis will help you to explain your specific requirements to the computer consultants who will set up your PMS.

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## **2.7 OTHER FACTORS TO BE CONSIDERED :**

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The other factors that are needed to be considered while installing a PMS system are as follows :

Ergonomics	Vendor Claims
Hardware Installation Plans	Computer Training Programs
Backup Power Sources	Maintenance Agreement

### **2.7.1 Ergonomics :**

The installation of the electronic cables connecting all the hardware must also be analysed. Installation and replacement of wires that run through walls and flooring can be costly. Proper computer functioning requires an air-conditioned environment. In guest service areas, this may not be a problem, but in other areas, it may pose difficulties. Ergonomics, the study of how individuals relate physiologically to machines, is also a consideration for the front office manager. Glare and flicker from the monitor, a flashing point on a screen that indicates where data can be entered, and movement on screens all can cause eyestrain. Computer operators commonly wear lenses to minimise eye strain. Neck pain is another common complaint due to improper positioning of the monitor. The swivel base provided on most computer screens helps eliminate these problems.

### **2.7.2 Vendor Claims :**

The prospective PMS buyer should contact current users of the system being considered and ask relevant questions like : Is the system easy to operate ? Are the reports generated useful ? Does a vendor train staff adequately and provide emergency service ? If one gets answers such as "I don't know how the hotel could manage without it" or "It is difficult to operate the system, and the reports are unreliable" may warn you about potential advantages or issues. It helps to remember, however, that different properties have different needs and priorities.

### **2.7.3 Hardware Installation Plans :**

A careful plan for hardware installation will assist the management in maintaining a desirable level of guest service and employee morale. It is also the key to determine who will install wiring or cables. This information should be used to create a flowchart, which will help departments adapt and interact using online operations.

### **2.7.4 Computer Training Programs :**

The training provided by a computer company ranges from classes held at the corporate headquarters to on-the-job training sessions and informal consultant hotlines. The staff who will use the computers must be well trained if the equipment is to be put to its best use. Training at the terminals should be preceded by an explanation of how the system will aid staff in their work. Some computer

software firms lend a dummy computer set up so the staff can experiment with the training modules. It allows them an opportunity to get familiar with the keyboard configurations. Documentation of procedures will additionally help the staff to develop an understanding of the system's features, as will the customised step-by-step computer application cue cards.

It is necessary to note that employee opposition to change can be overcome with a user-friendly training program.

#### **2.7.5 Backup Power Sources :**

What happens in case of a power loss ? Such concerns, as well as the possibility of burnouts, partial loss of electricity, blackouts and total loss of electricity, are also dealt with by computer vendors. Battery-powered energy units are used (temporarily) when power is lost or cut so that operational data are not lost. Most hotel managers have experienced power losses and are well versed in keeping communication channels open between the departments and in posting charges as required. Once power is restored, the staff can post charges to the electronic folio.

#### **2.7.6 Maintenance Agreements :**

The final consideration before buying a PMS is the maintenance agreement. It should mention in detail the costs of repair and replacement of both the hardware and software. Details regarding emergency service and times available for general service should also be listed. The availability of backup equipment enhances the attractiveness of the agreement.

The controller of a hotel property prepares a budget in consultation with the general manager. Sales of guest rooms, food and beverages, and other products and services are projected. Along with these projections, the related costs of producing those goods and services are also considered. The controller is aware of the specific expenses in each department. For example, the amount of overtime pay required at the end of the month in the food and beverage department, the additional part-time help needed to staff the front desk for a busy check-out or check-in period, the cost to create a direct mail for the marketing and sales department, and the fee charged by the external accountant to make a monthly profit-and-loss statement. This knowledge helps determine the amount of money that can be saved if a PMS were to be introduced. The money saved (along with tax depreciation advantages) must be equal to or greater than the total amount spent on the PMS. Sometimes the management may feel that less tangible benefits, such as better service to the guest or improved morale among employees, justify the higher cost.

Remember that a PMS is adopted to manage all guest services and accounting functions. While the requirements of the front desk alone for a call-accounting system or renting of a reservations system, may not justify the cost of a PMS, the needs of all the departments put together can make such a system cost-effective. The property management system is organised around the functions needed to deliver service to the guest. The software modules listed earlier in this chapter are only a few of the many available to hoteliers, almost hourly to check changes that may affect the day's service and financial operations. The night audit, if completed without using a software, involves – tallying columns or using a mechanical audit machine, which requires many training and labour hours. The posting module is a timesaver that produces a much more accurate and efficient-looking guest ledger.

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## **2.8 INDIVIDUAL MODULES OF THE PMS :**

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The following discussion of individual modules and sub–programs highlight the applications of these software options in a property management system.

### **2.8.1 Reservations :**

The reservations module consists of sub–systems that can receive an individual guest's data or group data; it can check a guest's request against a data bank of available rooms, and store this information. Guest data can be obtained by personal phone calls, through another computer in the referral system, or via the Internet. All of the room types and locations, room rates, and special requests can be matched with the existing room inventories. Information on guarantees with credit cards or confirmed reservations can also be stored. Reports on details of deposits, blocking, times of arrival and departure, VIP guest lists, and projected occupancies, greatly assist the front office manager.

### **2.8.2 Revenue Management :**

Revenue Management is a strategic process aimed at achieving the highest room rates and from the most profitable guests (those who will spend money at the hotel's food and beverage outlets, gift shops, etc.). It encourages front office managers, general managers, and marketing and sales directors to target sales periods and develop sales programs that will maximise profits for a hotel. This module shares the same databases with the reservations module – room inventory, room rates, reservation status, and guest information. Suppose a hotel is entering a maximum demand and sales period. In that case, the yield management module allows a reservations manager to block that period to prevent requests from guests for room reservations less than the minimum time. Besides, the system notifies the reservations staff on the applicable room rate. Daily reports on how the front office achieved a maximum yield of rack rates (the highest room rate charged in a hotel) offers feedback to the general manager and the owners. A history of food and beverage helps sales and marketing managers to determine if a group reservation has the potential for profitability.

### **2.8.3 Registration :**

Guest registration modules have vastly improved the check–in process. Because guest data has already been captured at the time of reservation, less time is required for registration. The front desk attendant need only verify the guest's request for the type of room, location and room rate with room inventory and room status. Requests of walk–in guests (those without reservations) are handled similarly. Payment methods are also established. A key card can be issued after the security module has changed the entrance code for the room. The self–check–in process can also complete the guest registration procedure. This method requires the guest to insert a credit card into a self–check–in terminal and answer a few simple questions concerning the stay.

### **2.8.4 Room Status :**

Room status module provides information on the guest rooms. There are two sub–groups to room status – reservation and housekeeping. Reservation status may be defined as – open, confirmed, guaranteed or repaired. Housekeeping status may be defined as – ready, on change, or out of order. While the reservation department maintains the reservation status, the housekeeping department provides housekeeping status. The room status module is one of the most useful features

of the PMS. It streamlines the operational problems of check-in and assists other departments too. This module provides reports used by the front office manager and staff, housekeeper, night auditor, maintenance engineer, reservations clerk, and the marketing and sales department.

#### **2.8.5 Posting :**

The posting module of a PMS often demonstrates one of the first benefits to the front office manager, namely, the immediate posting of charges incurred by the guests. Not only is the posting operation streamlined, but it is also accurate. PMS allows postings to occur at any point of sale, be it the restaurant, lounge or gift shop. Similarly, room charges, taxes or telephone calls can be posted to the electronic folio quickly. Transfers and adjustments of guest charges (with management approval) to folios can be executed soon. Expenses incurred on behalf of the guest can be posted to the electronic folio.

For example, a guest at the limited-service Holiday Inn Express in Guwahati wants to charge his valet expense of Rs. 1200 to his/her room account. After the desk attendant has processed the paid-out to the delivery person, this charge is posted to the guest's electronic folio by entering the room number, amount of charge, department and transaction type. Later, the night auditor verifies the integrity of all department totals.

#### **2.8.6 Call Accounting :**

The call accounting module of a PMS automatically posts telephone charges and a predetermined mark-up to a guest's folio. The hotel can charge a service fee for any local or long-distance call. This way, the hotel may use the telephone system to generate profit instead of merely offering it as a service. The ability to make a profit, combined with the increased frequency and accuracy of electronic posting, has rendered the call-accounting module desirable. These days with the increased use of mobile phones, phone cards, and personal digital assistants (PDAs), telephone revenue has declined in some hotels. The call-accounting feature retrieves data for time, charges and service fee and then posts these charges to the electronic folio. The accuracy of processing telephone charges is significantly increased through the use of a PMS call accounting feature.

#### **2.8.7 Check-out :**

The inconvenience of guest check-out (long lines, disputes over charges posted) is significantly reduced with the PMS check-out feature, which prints out an accurate, neat and complete guest folio in seconds.

Efficiency at the time of check-out is also improved when the desk attendant generates a printed copy of the folio and presents it for guest review. The guest may have already indicated the mode of payment during check-in, and an imprint of the credit card would have been made, or prepayment would have occurred. The floor limit, an amount of credit allowed by the credit card agency, and house limit, an amount of credit allowed by the hotel, have been monitored by the PMS. These controls help avoid high debt balances – the amount of money a guest owes the hotel. All last-minute purchases of products or services are automatically posted at the point-of-sale terminals.

PMS allows guests to avoid check-out lines by using in-room guest check-out by using the guest room television. To enable this, the night desk attendant

slips a copy of an updated guest folio under the door the night before check-out. This process starts with the guest entering a code on the television control panel. By answering a few questions about multiple guest accounts in the same room, accuracy of charges, and payment method, etc., the process is complete. The guest may pick up a copy of the folio at the front desk if he/she desires.

### **2.8.8 Night Audit :**

The night audit has always been labour-intensive. In addition to posting the room and tax charges, the night auditor must also balance the guest transactions of the day. To extend credit to guests, the amount of money the hotel owes the guests must be balanced daily. The debits originating from various departments must be tallied against the totals posted to the guest folios. The credits in the form of guest payments must be accounted for against the guests' outstanding balances. Although this sounds simple, the actual procedure can be very tricky. However, nowadays, this process is simplified by the complete automation of the PMS.

The PMS simplifies night audit by producing totals from departments and guest folios. This data is assembled into standard reports. This financial information is presented in the daily report and is used by the hotel's management to assess the financial performance on a particular day.

### **2.8.9 Inquiries/Reports :**

This feature of the PMS allows management to access operational and financial information at any given time. The front office manager may wish to check available rooms for a particular date, the number of guests expected to check-in, the number of guests checking-out, the current room status from the housekeeping department, or the outstanding balance report with a listing of guests' folio balances. All these reports can be generated on a PMS. This feature thus enables management to maintain a current view of operations and finances.

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## **2.9 HOUSEKEEPING :**

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Obtaining real-time guest room status has always caused problems for the front desk staff. Guests become impatient when check-in is delayed. When desk attendants do not receive a room release from housekeeping, they have to remain calm and try to appease the guests. PMS helps to obtain ready room status quickly. It is made possible when the housekeeping attendant enters the ready status immediately using a computer terminal on the guest floor rather than waiting to report a block of rooms to the floor supervisor. The housekeeper does not need to make several trips per day to the front desk to release blocks of rooms. The efficiency of this module, however, depends on the continued efforts of the housekeeping staff in reporting room status.

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## **2.10 FOOD AND BEVERAGE :**

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The food and beverage module reduces paper trail (vouchers) and telephone calls from the various outlets to the front desk. It facilitates the accounting process by verifying the integrity of the point-of-sale system. Cashier reports (cash, credit, room service) are quickly generated. Other features include recipe development, pricing, item profit evaluation, sales projections and inventory control and calculation. Sales production analysis and labour analysis are also possible with this module.



**❑ Check Your Progress – 1 :**

1. The front desk should be positioned in such a manner that it accommodates the \_\_\_\_\_.  
(A) Employees (B) Guests (C) Owners (D) All of the above
2. \_\_\_\_\_ indicates the flow of information and services of a specific property to determine whether a new equipment is required.  
(A) Needs analysis (B) Want analysis  
(C) Requirement analysis (D) None of the above
3. The first step is to \_\_\_\_\_ that determines report and information being generated.  
(A) Selecting a team (B) Analysing the flow of guests  
(C) Communicating information (D) Management review information
4. The \_\_\_\_\_ in the need's analysis process is to look at the information flowing from other departments to the front office.  
(A) first step (B) second step (C) third step (D) fourth step
5. The status in which guest will not be checking out of a room on the current day is called.  
(A) Occupied (B) Vacant (C) Stayover (D) Overstay
6. Occasionally, authorised members of the food and beverage department ask the front office for cash, in the form of a \_\_\_\_\_.  
(A) Charge purchase (B) Paid out  
(C) Cash (D) Credit purchase

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**2.11 LET US SUM UP :**

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**In this unit, we :**

- Identified the need for a PMS.
- Stated the Importance of a need's analysis.
- Explained the basic requirements of different departments from PMS.
- Discussed the use of details entered in a PMS.
- Recommended factors to be considered for selection of PMS.

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**2.12 ANSWERS FOR CHECK YOUR PROGRESS :**

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**❑ Check Your Progress 1 :**

1. (D), 2. (A), 3. (A), 4. (B), 5. (C), 6. (B)

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**2.13 GLOSSARY :**

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**Property Management Software** – Property Management Systems or Hotel Operating System, under business terms, may be used in real estate, manufacturing, logistics, intellectual property, government or hospitality accommodation management.

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**2.14 ASSIGNMENT :**

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Introduce yourself as students of the hospitality industry and call five companies that offer PMS. Ask for their product specification and price. Compare and make a report on the pros and cons of the same.

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**2.15 ACTIVITY :**

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Visit five hotels in your city and compare the property management software of the different hotels based on the speed of the PMS, ease of operations and retrieval of reservations.

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**2.16 FURTHER READING :**

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Computers in Hotels : Concepts and Applications – Partho Pratim Seal – Oxford University Press



**UNIT STRUCTURE**

- 3.0 Learning Objectives**
- 3.1 Introduction**
- 3.2 Front Office Accounting**
  - 3.2.1 Types of Accounts**
  - 3.2.2 Vouchers**
  - 3.2.3 Folios**
  - 3.2.4 Ledger****Check Your Progress 1**
- 3.3 Front Office Accounting Cycle**
  - 3.3.1 Creation of Accounts**
  - 3.3.2 Maintenance of Account**
  - 3.3.3 Settlement of Accounts****Check Your Progress 2**
- 3.4 Let Us Sum Up**
- 3.5 Answers To Check Your Progress**
- 3.6 Glossary**
- 3.7 Assignment**
- 3.8 Activity**
- 3.9 Case Study**
- 3.10 Further Reading**

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**3.0 LEARNING OBJECTIVES :**

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- List Front Office Accounting and its functions
- List various accounts kept by the front desk – guest account and non–guest account.
- List various vouchers and demonstrate their uses.
- List and demonstrate the use of master folio, guest folio, non–guest
- Front Office Accounting cycle – creation, maintenance, and settlement of accounts.

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**3.1 INTRODUCTION :**

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The hotel is built for creating a profitable business. Multiple guests avail various services like accommodation, food and beverage, spa, a health club on payment basis. Accuracy of accounts and timely nature of creation of bills ensures that the guest can pay, and the hotel is always profitable. Error–free billing also leads to better or higher guest satisfaction.

In earlier units, we have understood that there are four stages in guest cycles of the guest. This unit discusses how the hotel guest account is maintained and ensures the payment/settlement of it too. The chapter starts the discussion of various aspects of front office account like folio, vouchers and ledgers. Then it discusses creation, maintenance and settlement of accounts.

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### **3.2 FRONT OFFICE ACCOUNTING :**

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Accounting is defined as – The process of collecting, recording, summarising and analysing financial transactions of a business. AICPA (American Institute of Certified Public Accountants defines Accounting as – The art of recording, classifying, and summarising in a significant manner and terms of money, transactions, and events which are, in part at least, of a financial character, and interpreting the result thereof. The hotel front office cashier's job is to maintain the guest accounts and ensure the settlement of the same.

Resident guests of the hotel are those staying in the hotel. For the convenience of the guest, they are given credit during their stay. They do not pay then and there for services like food and beverage, laundry, spa and so on. They verify the charges presented on a voucher and sign them as proof of validity. These charges are added to the folio, and a final consolidated bill is generated at departure. An exact posting of charges to guest account is vital to ensure all charges are recovered and goodwill of guest maintained.

The facilities and services of the hotel are offered to non–resident guest too. They may use the health and fitness club, spa, restaurant, bar. When these services are provided to non–resident guest on credit, the account of the same is maintained by front office cashier. There are many transactions during the day between the hotel and guests (residents and non–residents), the front office cashier should maintain the guest accounts accurately and adequately.

However, the recovery of a non–resident account is not the responsibility of the front desk; it is collected by the back office (finance department). Also, when a resident guest, whose account is to be settled by his company or travel agent, checks out from the hotel after signing the bills, his account turns into a non–guest account, and the collection responsibility shifts from the front desk to the finance department.

The essential functions of the front office accounting system are as under :

- Creation and maintenance of guest and non–guest account accurately.
- Tracking financial transactions of guests throughout the guest cycle.
- Monitoring the upper limit (credit limit) of guests, and asking for a deposit from guests in case of a high outstanding balance.
- Preparing a high balance report for collection and informing the management about it.
- Providing a resourceful management information system (MIS) to the administration for departmental income generation
- Maintaining active control over a cash transaction.

#### **3.2.1 Types of Accounts :**

The front office takes care of two types of accounts :

- Guest Account
- Non–Guest Account

**Guest Account** – A guest account is a collection of transactions between the hotel and a registered guest of the hotel. This account is created either during guest registration (at the time of check-in) or during reservation if he/she makes an advance payment. The Front office cashier creates individual folio for each guest and for maintaining all the monetary transactions that occur between hotel and guest during their stay. Based on the folio, the final bill is prepared and presented to the guest for settlement of the account.

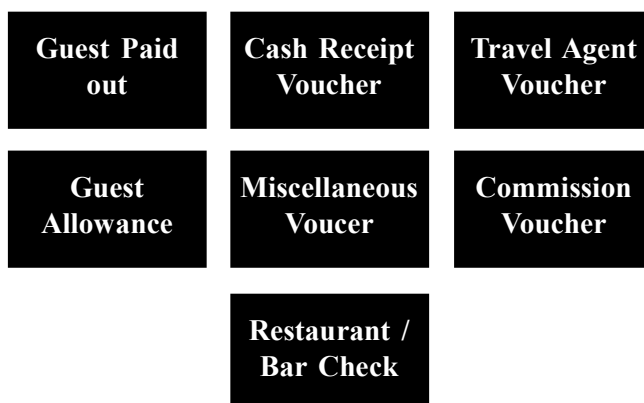
Hotels usually allow the guest to avail service on credit basis. There is a higher limit to the credit that is called house limit. When the guest is approaching or crossed its credit limit, the front office cashier may ask the guest for full or part payment to reduce the debit balance, and so he can avail services seamlessly. Also, the hotel has a proper cash flow.

**Non-Guest Account** – A non-guest account is the record of the financial transaction that takes place between a non-resident guest and the hotel. It is also known as city account. The front office cashier maintains a record of financial transactions between the hotel and residents to whom the hotel has extended credit. Besides local guests and business who use hotel services, there are other non-guests accounts too.

- Skippers (Guest who leave the hotel without paying the bill) accounts are converted from guest account to non-guest account. The account is transferred to the city ledger waiting for the payment to be made. After a stipulated time, such financial statements are written off as bad debts.
- The status of guest whose accounts are not settled by them (in case of bills to the company), changes from resident to non-guest when they leave the hotel.
- When a guaranteed booking is a no show the account is recorded in the city sales ledger.

**3.2.2 Vouchers :**

Vouchers are supporting documents of all financial transaction recorded in guest folio. It is documentary evidence of a monetary transaction. In case of a cash purchase, POS presents the check to the guest against which the payment is made. In case of charge purchase, the bill is signed by the guest. The bill is then posted to the folio of the guest account. The check (voucher) is kept as evidence of transaction as it bears the guest signature. The same is given to the guest at the time of the check out attached to the final bill.



*Fig. 1 : Types of Vouchers*

## Front Office Management

Guest Paid out – Money paid by the hotel staff on behalf of the guest is known as a guest paid out. Paid out is made for following charges – payment of taxi, porter charges, florist charges, outside shopkeeper etc.

### To make paid out :

1. Confirm the name, room number of the guest.
2. Fill the voucher appropriately, mentioning the details for which cash is to be paid.
3. Get paid out voucher authorised by lobby manager.
4. Make the payment
5. Post the entry in guest folio and place the voucher in the folio docket.

**Miscellaneous Charge Voucher** – MCO is prepared for miscellaneous services that are outsourced by hotel-like outside activities like safari etc. The guest verifies and signs the MCV, which the front office cashier posts in the guest account.

**Cash Receipt Voucher** – A CRV is an acknowledgement that a payment has been made. A cash receipt is prepared and issued to the person depositing cash as proof of remittance.

**Travel Agent Voucher** – Tour operators and travel agents receive the advance payment from their customers for making a booking and other travel arrangements. The TA then makes a booking at the hotel on behalf of the customer. The TA issues voucher that has details of services guest has paid to TA. These services are to be honoured by the hotel. On arrival, the hotel accepts the coupon from the guest and gives the benefits to the hotel. The voucher is sent later to the TA for recovery of payment.

**Guest Allowance Voucher** – An allowance is an amount deducted from an invoice to compensate the buyer for an expense or mistake.

- Allowance is given for wrong posting done in the guest folio.
- If the guest deposit exceeds the hotel bill, then the allowance is made.

Guest allowance is strictly controlled. Front office cashier has to take authorisation from higher authority to pass an allowance.

**Restaurant / Bar Check** – POS posting is done directly to the bill. The guest has signed the bill if he is a registered guest of the hotel. The signed statement is proof of a financial transaction.

### 3.2.3 FOLIOS :

A Folio is a written record of a guest's account. It is created at the time of starting a book of account in the name of the guest. It is a statement of all transactions that take place between a hotel and a guest. The opening balance is zero. It changes as per credit (Cr.), and debit (Dr.) charges. The closing of folio should also be zero. Different types of folios are

**Guest Folio** – Created for each guest as soon as the first financial transaction takes place between the hotel and the guest. Folio is created at the time of check-in. If advance payment is made, then the folio is created.

**Master Folio** – A master folio contains accounts of more than one guest. Master folio is created in case of a group. Group master folio has all the standard charges of the group.



**3.3.1 Creation of Accounts :**

A guest account is created when there is the first transaction between the hotel and the guest. Creation of account can happen in three scenarios

1. While making a reservation, the guest can pay and guarantee the reservation. A guarantee can be done in full or part payment. For example, Mr Vaidya booked the hotel from 15th to 19th November. The dates fall under black-out dates, so hotel requires payment in full to guarantee the booking. So Mr Vaidya pays the total amount to assure the reservation. This is the first transaction, hence the guest account is open, and the guest is given credit entry in his report.
2. At the time hotel receives advance payment for the booking after the reservation and before the guest arrival. As soon as an amount (full or part ) is received the hotel makes a credit entry into the account and then payment is made.
3. At the time of registration, when a room is allotted to the guest.

A guest folio is created as soon as the hotel receives the first payment from the guest. Also, the hotel sets the upper limit for a credit facility to be given to the guest (called a house limit.)

**3.3.2 Maintenance of Account :**

All financial transactions that take place between the hotel and the guest are logged in the guest folio in chronological order. The entries in the guest folio are either debit or credit. Every entry has a supporting document as a proof of transaction. Supporting document is called voucher. The voucher is to be signed by the guest after service. Some typical debit entries are :

1. Room Charges
2. Food and Beverage Charges (restaurant, bar, coffee shop, in-room dining and others.
3. Laundry Charges
4. Limousine Service
5. Guest Paid Out

Some standard credit entries are

1. Pre-payment (full or part)
2. Payment during the stay (part)
3. Allowance given as service recovery
4. Adjustments done due to wrong entry
5. Final payment to settle the account.

**3.3.3 Settlement of Accounts :**

This is the final and concluding part of the accounting cycle. The payment of account means zeroing the balance in a guest folio.

The guest account may have a credit or debit during the stay of the guest. At the time of departure, the final bill is prepared and settled to make zero balance. If the advance paid by the guest is less than the total charges, then the guest is to pay the amount. If the advance paid is more than the total charges, then the hotel should refund the amount. In any case, the bill has to be zero when the bill.





**Guest ledger** – A ledger that contains the details of financial transactions between a hotel and a resident guest.

**House limit / Floor limit** – The higher limit of the credit extended by a hotel to a guest.

**Ledger** – A group of similar types of accounts

**Miscellaneous charge voucher** – A check for assorted charges, like laundry, health and fitness club, beauty salon and others

**Master folio** – A folio that contains the accounts of more than one guest.

**Non-guest account** – The record of the financial transactions between a hotel and a non-resident guest.

**Non-guest / City folio** – A folio that contains the record of financial transactions between a hotel and non-resident guests.

**Voucher** – A written statement or documentary evidence of financial transactions.

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### **3.7 ASSIGNMENT :**

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An accurate recording of the financial transaction between a hotel and its guest is among one of the major factors leading to guest satisfaction.

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### **3.8 ACTIVITY :**

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Visit a hotel and learn the necessary posting of guest accounts by obtaining the format of the guest folio and supporting vouchers.

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### **3.9 CASE STUDY :**

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Mr Mohit Sharma, front office director of the Mango Inn, has been looking through the daily income reports for the past week. Posted room revenues are up, but allowances to rooms gains are up as well. The report quoting guests over or near their credit limits has also increased in size. Mr Mohit Sharma has been the hotel's front office director for about three months. She was relocated to the hotel from another part of the state where she was also the front office director. The resort had mostly social (or non-group) guests; the Mango Inn primarily caters to group business. The Mango Inn recently lost several front desk employees to a new property that just opened down the street. Mr Mohit Sharma had to hire new employees to take their places. Mr Mohit Sharma does not want what she sees in the reports to become a trend. The Mango Inn has always had a low allowance factor and has seldom had a problem with credit card collection or direct billing. She has asked Mr Yatin Verma, the hotel finance controller, for help. When they meet to discuss the situation, Yatin tells Mr Mohit Sharma that the corporation's examiners are coming within the next month for their annual review. A report from the auditors is sent to the hotel general manager and the company office

❖ **Discussion Questions :**

1. What sources of information should Mr Mohit Sharma look at to determine why allowances have increased ? What sources should she look at to determine why the credit limit report has increased ?

2. Should Mr Mohit Sharma discuss these problems with other departments besides accounting ? If so, which ones ? What other things should Mr Mohit Sharma look at within the front office ?

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**3.10 FURTHER READING :**

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1. Hotel Front Office Operations and Management – Jatashankar Tiwari – Oxford Publication
2. Managing Front Office Operations – 10th edition – Michael Kasavana – AHLEI Publication.



**UNIT STRUCTURE**

- 4.0 Learning Objectives**
- 4.1 Unit Introduction**
- 4.2 Departure Procedure**
  - 4.2.1 Check out Request**
  - 4.2.2 Luggage Handling**
  - 4.2.3 Accounting All Transaction**
  - 4.2.4 Apprising Guest Folio**
  - 4.2.5 Bill**
  - 4.2.6 Determination of Mode of Payment**
  - 4.2.7 Receiving Payment**
  - 4.2.8 Parting Activity**
  - 4.2.9 Communicating Departure to all departments**
- 4.3 Modes of Settlement Of Bills**
  - 4.3.1 Foreign Exchange**
  - 4.3.2 Cash Settlement**
  - 4.3.3 Credit Settlement**
- 4.4 Potential Check-Out Complications and Resolutions**
  - 4.4.1 Late Check-Outs**
  - 4.4.2 Long Queues At The Cashier**
  - 4.4.3 Improper Postings**
- Check Your Progress 1**
- 4.5 Let's Sum Up**
- 4.6 Answers For Check Your Progress**
- 4.7 Glossary**
- 4.8 Assignment**
- 4.9 Activity**
- 4.10 Case Study**
- 4.11 Further Reading**

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**4.0 LEARNING OBJECTIVES :**

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- Demonstrate the fourth stage of the guest cycle, i.e. check out procedure and settlement of bills.
- Classify different departure procedures in manual, semi-automated and fully automated systems.
- Identify various modes of settlements – cash or credit settlement.

- Classify various potential check-out problems – late check out, long queues at the cashier counter, improper posting of charges in the guest folio – and solutions.

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#### **4.1 UNIT INTRODUCTION :**

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Up until now, we have studied the three phases of the guest cycle, namely – pre-arrival, arrival and stay. This unit deals with the fourth phase – departure and settlement of accounts. For a hotel to be able to welcome back the guest, the departure also becomes very critical. The guest departure should happen on a good note. The hotel should take care to carry out the departure procedure efficiently and smoothly. This unit discusses the different modes of settlement in detail. It also deals with possible departure/check out/billing issues and how they can be solved.

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#### **4.2 DEPARTURE PROCEDURE :**

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Check out is the last interaction between the guest and the hotel. During departure check out, guests vacate their room, settle their accounts and leave the hotel. Any financial dispute between the hotel and guest can ruin the entire stay experience. So, it is a crucial stage of the guest cycle. The speed and accuracy in the preparation and presentation of bills will lead to the maximisation of guest satisfaction. Bills with no mistake reflect the professionalism of the hotel to the guest.

The departure procedure may vary in every hotel based on the amount of technology the hotel is using. In manual / semi-automated systems, the following process is followed.

##### **4.2.1 Check out Request :**

- The check-out request is received at either the front desk or at bell desk or the telephone operator.
- Reconfirm the name and the room number of the guest (You do not want to send bell attendant to the wrong room).
- Inform all the concerned departments (HK, Room service and others) especially if it is an early departure.

##### **4.2.2 Luggage Handling :**

- Bell attendant fills the errand card and goes to the room to pick up the luggage of the guest. He notes down the number of luggage pieces he picks up.
- Apart from luggage pick up bell attendant also :
  - o Looks around for any damage to hotel property
  - o Check any belongings left by guest.
  - o Collect room key
  - o Check minibar consumption. If any, then the bell attendant reports it to the cashier immediately.

##### **4.2.3 Accounting All Transaction :**

- Front Office informs all the POS and HK to transact immediately and rush the latest credit transaction to the front desk so that the cashier can add them to the account. In an automated hotel, guest transactions happen

## **Front Office Management**

seamlessly as there are POS terminals that are interfaced with FO property management software.

- It is essential to post charges immediately in case they are missed later. The guest usually denies paying for the same after departure. All point of sale transactions should be entered as soon as they are received to avoid a potential loss.

### **4.2.4 Apprising Guest Folio :**

- Adding latest charge postings received from various points of sale.
- Checking if any late check-out charge is applicable.
- Glance for any last-minute changes.
- Examining the current entries in the guest account.

### **4.2.5 Bill :**

- While preparing the bill, the front desk staff should check if any late charges are applicable or not.
- Late check-out charges are usually the point of contention between the hotel and guest. To avoid the departure should be reconfirmed a day prior, and if a guest wants late check-out, the charges should be informed immediately.
- The FOC should also pay special care to late charges while preparing the bills for settlement. A late charge is an outstanding payment from the guest, the bill for which reaches the front desk cashier after the master bill has been prepared.
- Some common areas of late charges are same-day laundry bills, breakfast bills and minibar consumption. If the bills arrive after the guest departure, the loss has to be borne by the hotel. To avoid these charges FOC to enquire all the POS and also with the departing guest by enquiring politely.

### **4.2.6 Determination of Mode of Payment :**

- The mode of payment is usually determined at the time of arrival. However, the guest can choose to change the method of payment at the last moment.
- Various modes of payment are – cash, foreign exchange, debit card, credit card, traveller's cheque. There are different credit modes of payment like TA voucher, corporate billing and others. TA vouchers and corporate billings are only valid for contracted and authorised travel agents and corporate companies.
- Personal cheques are strictly avoided unless authorised by the General Manager or Finance Controller.

### **4.2.7 Receiving Payment :**

- The guest inspects the bill and makes payment as decided before. The Front Office Cashier follows the hotel rules in collecting the payment. Payment is accepted through various modes like local cash, foreign cash, traveller's cheque, debit card, credit card, travel agent voucher, and a bill to a company.

#### **4.2.8 Parting Activity :**

- The Front Office Cashier should ask guests about their experience at the hotel and ask them to fill comments card.
- If guests have any complaints, the front desk should note the same and assure the guest of a quick resolution.
- The front desk should talk about returning reservation and special offers.
- Long staying guests and VIP guest should be given parting gifts and a fond farewell.
- Groups also should be given a grand farewell the same as they were received.
- As the Manager meets VIPs and other guests on arrival, the same manner he should meet them on departure too.

#### **4.2.9 Communicating Departure to all departments :**

- Inform all departments about the departure of a guest to ensure the smooth operation of the hotel
- POS will not offer any credit to the guest who has settled the bill already.
- HK will prepare the guest room before the next arrival.

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### **4.3 MODES OF SETTLEMENT OF BILLS :**

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#### **4.3.1 Foreign Exchange :**

- All the international guests can settle their accounts in various currencies of the world, namely – US dollar, GB Pound, Euro, Japanese Yen and in about other fifteen other currencies. Most guests may carry any of these valid currencies for using them as currencies. However, they need to be converted into local currency for them to be useful. The hotel usually has the license to convert the foreign currency to local currency. In India Reserve Bank of India gives out a license for ForEx cash. The hotel cannot convert the local currency to foreign currency. The hotel issues Forex encashment certificate that the guest can keep and use the same at an international airport for reverse conversion. Foreign Exchange facility in hotel is only for foreigners and that too for registered guest not for non-resident guests.
- Currency Exchange Procedure
  - o Cashier updates the exchange rate received from RBI every day in the morning that would be the rate of the day for all possible currencies. The rates have to be visible to the guest.
  - o Guest visits the FOC desk
  - o FOC verifies the guest as per passport details. Passport is a must for Forex. FOC can retrieve the passport copy that is attached to GRC.
  - o Guest gives the foreign currency to the FOC. FOC calculates the total amount in local currency to be given.
  - o The FOC counts the money twice before disbursing it to the guest. Once himself and once in front of the guest.

## Front Office Management

- o A cashier prepares the currency exchange certificate in a triplicate copy. Original copy goes to the guest, the duplicate one to the accounting team, and a triplicate copy will be in FO records. A guest has to sign the encashment certificate along with the cashier.
- o Currency is attached to the duplicate encashment certificate. FOC writes the serial numbers of the currency received.
- o Cashier to maintain and update the currency exchange control sheet.
- o If the FOC receives foreign currency for settlement the same procedure to be followed and the balance to be returned in local currency.

### 4.3.2 Cash Settlement :

- **Currency Notes**

- o Most widely accepted modes of account settlement. While accepting currency notes, the cashier should the currency bills are genuine or counterfeit.
- o If accepting Forex, the earlier mentioned procedures to be followed.
- o To avoid any disputes, the FOC should keep the cash in guest visibility until the transaction is complete. The FOC should count the money in front of the guest.
- o The FOC should issue a cash receipt to the guest.

- **Traveller's cheque.**

- o A traveller's cheque is an internationally accepted cheque for a specific currency and specific sum of money that is already collected by the bank. Functions as cash but is safer to carry
- o It is useful as not all places accept debit cards or credit cards.
- o The guest on the traveller's cheque puts two signatures. One in front of the issuing authority in the bank and once in front of the FOC while encashing.
- o FOC to take following precautions
  - Ensure the second signature is done in front of him
  - Check the guest's passport to establish identity.
  - Write the PP number of the guest at the back of the cheque.

- **Personal Cheques**

- o Personal cheques are drawn against funds deposited in an individual's bank account. It takes some time before payment for the cheque is received from the issuing bank.
- o The bank may refuse the cheque due to insufficient balance or guest applying for stop cheque.
- o Personal cheques can only be accepted from frequent and most trusted guests or from companies that have a contract with the hotel.
- o GM or Finance Controller's authorisation is required for accepting the personal cheque.
- The FOC to take care
  - The Sing on GRC and cheque should match.



- The cheque is crossed 'A/c payee only.'
- The amount in figures and words are the same.
- Do not accept third party cheque.
- **Demand Draft (DD)**
  - o DD is a negotiable instrument issued by a bank. The meaning of negotiable instrument is that it guarantees a certain amount of payment mentioning the name of the payee. However, it cannot be transferred to another person under any circumstance.
- **Debit Card**
  - o A payment card that deducts money directly from a consumer's checking account to pay for a purchase, thereby eliminating the need to carry cash or physical checks.
  - o When the card is used, the electronic fund transmission point of sale (EFTPOS) terminal links the computer system of the bank to verify and authorise the transaction.

#### **4.3.3 Credit Settlement :**

An arrangement for the overdue payment of goods and services, i.e., a settlement in which the hotel does not receive payment on the day of departure of the guest but would get later.

- **Credit Card / Charge Card Payments**
  - o A payment card that allows the holder to buy goods and services on credit terms, without paying cash.
  - o It is one of the most favoured settlement modes. It is convenient to carry card than cash. Most hotels accept major credit cards. Some examples of credit cards are American Express, Diners Club, Master Card, Visa and others.
  - o While processing credit card payment, FOC has to take the following steps :
    - Check card holder's name on the card and expiry date.
    - Verify the signature with the back of the card.
    - Swipe card through EDC (electronic data capturing) machine for verification and authorisation
    - Return the credit card and carbon copy of the transaction slip to the guest.
- **Travel Agent Voucher**
  - o Travel Agents and Tour Operators act as mediators that create unique packages and sell them to the guest. They also sell other services of their own along with them.
  - o The Travel Agent mostly receive the advance payment from the travellers. The TA provides a voucher for the money they have paid to them. The voucher has complete details of the booking.
  - o Arrival & Departure Date
  - o Name of the Hotel
  - o Type of Accommodation

- o Meal plan, other services offered by the hotel
- o While processing TA voucher payment, FOC must –
- o Read the voucher correctly.
- o Check if the TA is on the approved list.
- o Check the billing instruction carefully.
- o Create the bill accordingly.
- o Collect payment separately that is not covered in the voucher.
- o Attach voucher to the bill signed by the guest.
- o Send the bill to the finance department for the amount to be collected from the TA.

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#### **4.4 POTENTIAL CHECK-OUT COMPLICATIONS AND RESOLUTIONS :**

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##### **4.4.1 LATE CHECK-OUTS :**

- Hotels have fixed check out time of 1200 noon.
- In case of guest not departing it may create a problem, especially on busy 100% occupancy days.
- To avoid such circumstances, the following steps are to be taken :
  - o Inform the guest about check-out time and late check-out charges at the time of reservation and check-in.
  - o Have them read the information printed on the key card and back of the door in the room.
  - o Request to vacate the room as per given time. In case the guest has a flight at a very later stage assist with luggage hold and spa rooms for wash and change. Also, suggest arranging sightseeing to spend time.

##### **4.4.2 Long Queues At The Cashier :**

- The check-out takes time as there are multiple steps involved.
- Guests want quick, queue free check-outs. Hotels are coming up with alternatives to tackle the waiting period at the check-out counter.
- **Express Checkout**
  - o The guest is given the express check out form (ECO) on the morning of his departure, and he signs it to charge it to his CC
  - o The guest leaves the hotel without having to go over the typical check out procedure.
  - o The front desk cashier prepares the guest's final bill and mails a copy to the guest.
  - o The hotel sends the authorised ECO form and the credit card imprint to the credit card company towards the payment of the bill.
- **Self-Checkout**
  - o Fully automated hotels are equipped with self-checkout terminal
  - o The self-checkout terminals are placed in the lobby for convenience and minimising guest waiting time.

- o Eliminate the scope of human error as it is integrated with hotel PMS.

## **Check Out and Settlement**

### **4.4.3 Improper Postings :**

- At times the guest POS postings are not done correctly.
- Wrong posting results in inaccurate final guest folio. It might be due to manual error or computer error.
- Sometimes due to rush hour, the printer may stop working or cashier making a small error. These mistakes can delay the process of checking out. There could be a dispute also.
- All these ruins the entire stay experience if the last stage is not handled correctly.
- To avoid these hotels has to install guest accounting systems, which are more accurate and faster, leading to higher guest satisfaction.

### **☐ Check Your Progress – 1 :**

1. Which of the following actions are carried out at the time of check-out ?  
 (A) Settlement of guest account.  
 (B) Updating the front office record  
 (C) Creating a long-lasting impression on the guest.  
 (D) All the above
2. The request for check-out from the guest may land at :  
 (A) Reception Desk                      (B) Bell Desk  
 (C) Information Desk                      (D) All the above
3. The cashier prepares the guest bill by pulling out information from :  
 (A) City ledger   (B) City folio   (C) Guest folio   (D) Employee folio
4. A guest may choose the following mode of payment to settle an account.  
 (A) Cash                                      (B) Credit Card  
 (C) Traveller's Cheque                      (D) All the above
5. Which of the next is generally not a valid mode of payment for a guest account ?  
 (A) Traveller's cheque                      (B) Cash  
 (C) Travel agent voucher                      (D) Personal cheque
6. Master and Visa are examples of credit cards.  
 (A) True                                      (B) False
7. American Express is an illustration of a charge card.  
 (A) True                                      (B) False
8. Traveller's cheques and personal cheques are the same.  
 (A) True                                      (B) False
9. One should have a saving account in the bank to get a credit card.  
 (A) True                                      (B) False

10. Settlement of accounts means zeroing the credit and debit balance in the guest folio.  
(A) True (B) False
- 

#### **4.5 LET'S SUM UP :**

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We have studied matters related to the last of the guest cycle. In this stage, the guest settles his account and departs from the hotel. The departure procedure needs to be quick, efficient and accurate. The departing guest needs to be going without any hassle as they have an ongoing journey to commence. The guest who leaves hassle free will have a good memory and will come back at some point also be a talking advertisement board to all he meets. We also learnt the various modes of payment and that the hotel can offer – cash, credit card, TA voucher. Despite the hotel putting all kinds of the process into place, it does encounter some problems like late check-out, long queue and improper postings. These problems have to be solved, and accurate billing and check out procedure should be done.

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#### **4.6 ANSWERS FOR CHECK YOUR PROGRESS :**

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**Check Your Progress 1 :**

1. (D), 2. (D), 3. (C), 4. (D), 5. (B), 6. (A), 7. (A), 8. (B), 9. (B), 10. (A)
- 

#### **4.7 GLOSSARY :**

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**Check-out** – The process of vacating the hotel room, settling bills and leaving the hotel.

**Departure errand card** – A card filled by the bell boy who brings the departing guest's luggage from his room.

**Guest Folio** – A statement is showing the balance of the guest's financial obligation towards the hotel.

**Late Check-out charge** – The fee put upon a guest in case he wants to stay beyond the standard check out time.

**Late Charge** – A charge that reaches the front desk cashier after the guest bills are prepared.

**Personal Cheque** – A cheque drawn against funds deposited in an individual's account.

**Travel Agent Voucher** – a voucher made by a travel agency with the details of billing technique and the services to be provided to the traveller.

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#### **4.8 ASSIGNMENT :**

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Go to a hotel as a hotel management student. Observe the entire process of guest departure and do a time-motion study. The critical points to observe are :

- Where does the information of check out is received ?
- How much time does it take to get guest luggage ?
- How does the FOC prepare the bill ?
- How is the bill settled ?
- How is farewell done ?

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#### **4.9 ACTIVITY :**

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Shoot a video for check and settlement process by doing various role plays played by different students. Upload it and see comments

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#### **4.10 CASE STUDY :**

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Arvind, the front office manager of Hotel Sun Star, while reviewing the guest comment cards, found many of the guests had complained about a long wait time at the front desk for check-out. He studied the matter and found that the front desk was flooded with guests at peak departure time. He also found that the guest's bill was not ready because the front office desk did not receive credit charges from the various points of sale. What correction measures should Arvind implement to reduce the check-out waiting time, billing delays and errors and thereby increasing guest satisfaction at check out ?

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#### **4.11 FURTHER READING :**

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1. Hotel Front Office Operations and Management – Jatashankar Tiwari – Oxford Publication
2. Managing Front Office Operations – 10th edition – Michael Kasavana – AHLEI Publication.



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**BLOCK SUMMARY :**

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This block emphasized the significance of letter/email writing for business purposes and differentiated various types of letters. Effective methods used for writing were discussed and illustrations were provided on how to write official correspondence.

This block pointed out the need of a PMS and stated the importance of a needs analysis. It explained the basic requirements of different departments from PMS and discussed the use of details entered in a PMS. It recommended factors to be considered for selection of PMS.

The front office accounting cycle was explained along with types of accounts, vouchers, folios and ledgers

The departure procedure needs to be quick, efficient and accurate. The departing guest needs to be going without any hassle as they have an ongoing journey to commence. The guest who leaves hassle free will have a good memory and will come back at some point also be a talking advertisement board to all he meets.

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**BLOCK ASSIGNMENT :**

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**Check Out and  
Settlement****□ Short Answer Questions :**

1. Describe the essentials of writing a letter/email.
2. Detail the parts of a letter/email.
3. Elaborate on the types of letters/emails.
4. Identify the requirements of a PMS.
5. State and describe the most common modules of a PMS.
6. Describe the front office accounting cycle.
7. Differentiate between vouchers, folios and ledgers.
8. Trace the activities involved in the guest departure procedure.
9. Describe the bill settlement options.

**Front Office Management****Long Answer Questions :**

1. List the C's of effective letter/email and explain any one in brief.
2. Explain what you mean by "Business jargon."
3. Write a short note on Paragraphing.
4. What are the essential parts of a business letter/email ?
5. State and explain in brief the ideal order of a business letter/email.
6. State the functions of the closing line of a business letter/email.
7. What are the points to be considered while writing a letter/email of complaint ?
8. Write a short note on equipment positioning at the front desk.
9. State the importance of need analysis.
10. Briefly describe the procedures required for performing needs analysis.
11. List the requirement of various departments from PMS module.
12. State how the details entered in a PMS can be used by different departments in a hotel.
13. Identify potential complications during check-out and recommend resolutions.