

**Year 2**

# **Hospitality and Tourism Management Program**



# Section

# 1.6

## Traditional Management Styles

### TERMS YOU SHOULD KNOW

**Autocratic Manager**—stresses immediate, short-term results over concerns about people; expects to be obeyed without question and makes decisions without staff input.

**Bureaucratic Manager**—makes decisions by enforcing rules, regulations, policies, and procedures that are already in place; resists change.

**Democratic Manager**—focuses more on participative process than on short-term results; shares decision-making and problem-solving responsibilities with staff and is open to new ideas.

**Laissez-faire Manager**—provides little or no direction and gives employees as much freedom as possible.

**F**our traditional styles are those of the autocratic, bureaucratic, democratic, and laissez-faire managers. Management styles are patterns of behavior that managers use to interact with other managers and with their staff.

**Autocratic managers** stress immediate, short-term results over concerns about people. They often give orders without explanations and expect employees to obey them without question. They make decisions without staff input and don't usually delegate work. Employees often become extremely dependent on autocratic managers. Work gets done when the manager is present, but things fall apart when the manager isn't there. Since employees are given little input about how to perform their jobs, they learn to simply follow orders.



**Bureaucratic managers** make decisions by enforcing rules, regulations, policies, and procedures that are already in place. Concerns for results and for people take a back seat to doing things the way they have always been done. Bureaucratic managers resist change. They rely on higher levels of management to make decisions about issues that are not covered "by the book." Employees of bureaucratic managers suppress their initiative and simply follow the rules. When no rule seems to apply to a situation, they cease to act and call the manager.



**Democratic managers** are almost the reverse of autocratic managers. They tend to focus more on the participative process than on short-term, immediate results. They keep employees informed about matters that directly affect their work and often delegate so employees can gain more experience and job satisfaction. Democratic managers share decision-making and problem-solving responsibilities with their staff. They are open to new ideas and often champion change within their organizations. These managers want employees to be less dependent on them and to take the initiative to get things done themselves.



**Laissez-faire managers** provide little or no direction and give employees as much freedom as possible. With this style, managers make themselves available for meeting with employees, but they give them the power to develop their own goals, make decisions, and solve problems without direct supervision. Managers are more likely to use this style with a few experienced employees rather than their entire staff. Workers look to a laissez-faire manager not as a boss, but rather as someone who is standing by to help them only if they are needed. Under this management style, workers may produce high-quality work for long periods.





# 21<sup>st</sup> Century Leadership Styles

Approaches to **management** and **leadership** change constantly. So do prevailing views of which approach is best. Although the terms are used interchangeably, management and leadership actually mean different things. A management role usually emphasizes control and production, whereas a leadership role focuses on creating a vision and inspiring others to follow. All managers should strive to be leaders because effective leadership will always produce better results than effective management. Leaders get people to perform by inspiring them to do their best. The fast-paced, global 21<sup>st</sup> century economy demands a new style of leadership.

The Focus of Management		The Vision of Leadership
Do things right	vs.	Do the right things
Enforce policies and rules	vs.	Communicate vision and values
Control results	vs.	Support people
Create stability	vs.	Engage in continuous improvement
Direct operations	vs.	Manage guest expectations

## TERMS YOU SHOULD KNOW

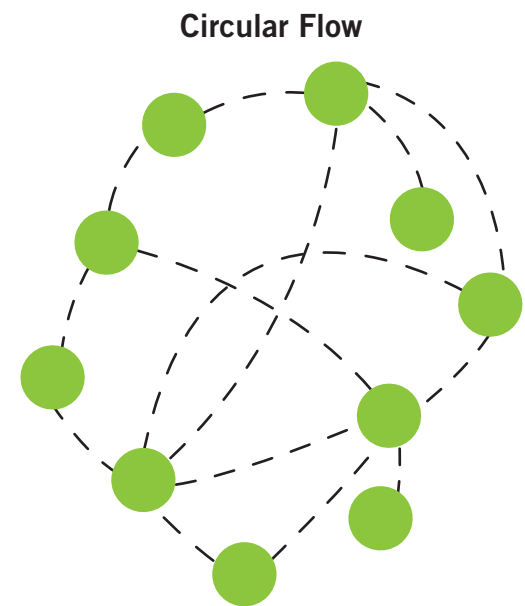
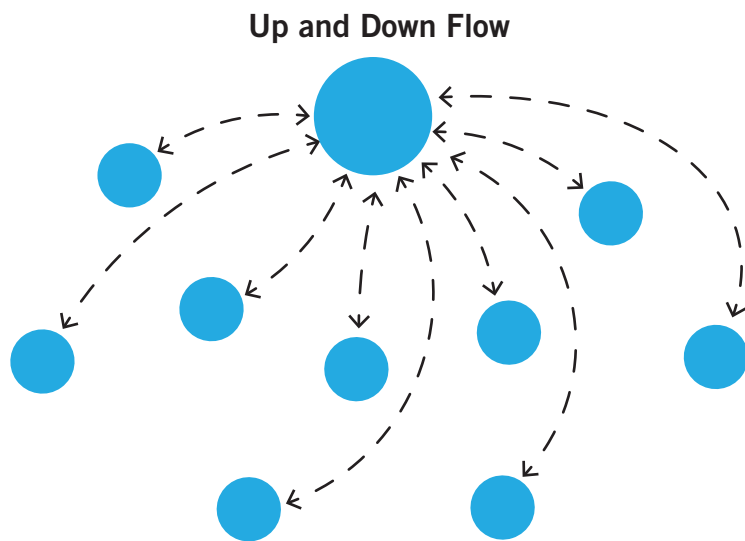
**Management**—the organization and coordination of the activities of a business in order to achieve objectives.

**Leadership**—the ability to lead a group of people by creating a vision and inspiring others to follow.

## Travel Promotion Act of 2009

President Barack Obama signed into law the first-ever national travel promotion and communications program to attract more international travelers to the United States. The program was designed in response to evidence that the U.S. was losing ground in the global travel market. The Travel Promotion Act counteracts this trend by establishing a national tourism board to develop advertising and educational campaigns to help potential travelers navigate U.S. visa requirements and security procedures. The Travel Promotion Act benefits the hospitality and tourism industry and the U.S. economy as a whole. It is estimated that it will bring in \$4 billion in new spending annually, create 40,000 new jobs, and generate \$321 million in new tax revenue each year. To help achieve this goal, in 2012, the president signed an executive order establishing the Task Force on Travel & Competitiveness to develop a “National Travel & Tourism Strategy.” Its goal is to increase American jobs by attracting and welcoming 100 million international visitors, who will spend \$250 billion, by the end of 2020.





Technology has changed the way information is distributed in an organization. In the past, information flowed up to the corporate offices and was then redistributed back down the chain. This process could take so long that the information was outdated by the time it reached its intended target. Today, information can be distributed throughout an organization in a circular pattern from any point to any other point. These kinds of changes have led many companies to flatten their organizational structures and redistribute decision-making power to lower levels. Working in management today requires being open to change and having a willingness to continue learning. Successful managers have the motivation and flexibility to respond to the changing needs of their organizations.

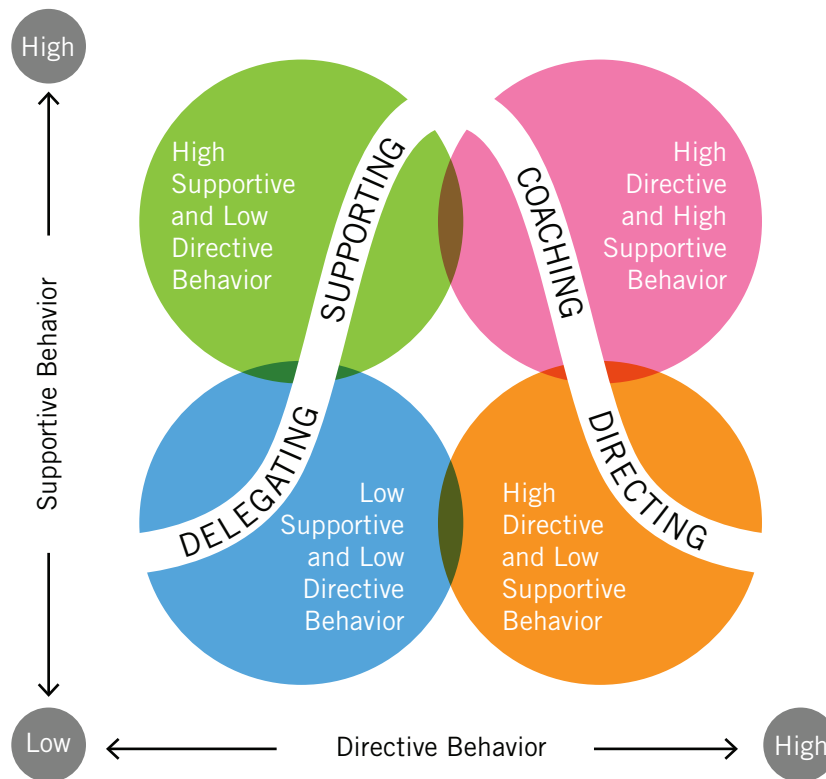
One of the greatest differences between leadership in the past and leadership in the 21st century is an increased focus on the role of management in meeting and exceeding guest expectations. There is no one-size-fits-all theory of leadership—managers can exercise their talents in a variety of ways, and leadership takes on different forms at different times. The key for managers is to decide which approach works best for their skills and abilities, and which best fits their employees and organization. The four main theories of leadership today are:

### **Personality-Based Leadership**

This theory promotes the idea that charismatic people make good leaders by inspiring strong feelings in their followers. Steve Jobs of Apple was a charismatic leader who inspired loyalty and respect, as well as a sense of power and excitement. However, not all good leaders are necessarily charismatic. Bill Gates of Microsoft has been very successful as a leader despite his subdued personality.

## Situational Leadership

Situational leaders recognize that the best leadership style will vary depending on the situation. For example, when an employee is learning a new skill, a manager might lead by directing the employee what to do. However, as the employee becomes more skilled, the leadership style may evolve to coaching or supporting. When the employee has become proficient, it may be time to delegate certain tasks to that person because he or she has reached a level of independence.



## Transactional Leadership

In this style of leadership, employees exchange a certain level of performance for rewards, such as salary, bonuses, and time off. Leaders give out awards for good performance and punishments for bad performance.

## Transformational Leadership

Transformational leaders communicate a vision that inspires and motivates people to achieve something extraordinary. They are generally found in organizations where people at different organizational levels participate in decision making. They collaborate with their staff on goal setting and share leadership with others by delegating power.

# Section

# 2.4

## Empowerment

### TERMS YOU SHOULD KNOW

**Power**—the ability to influence others' behavior.

**Centralized Organization**—an organization in which most decision-making authority is at top management levels.

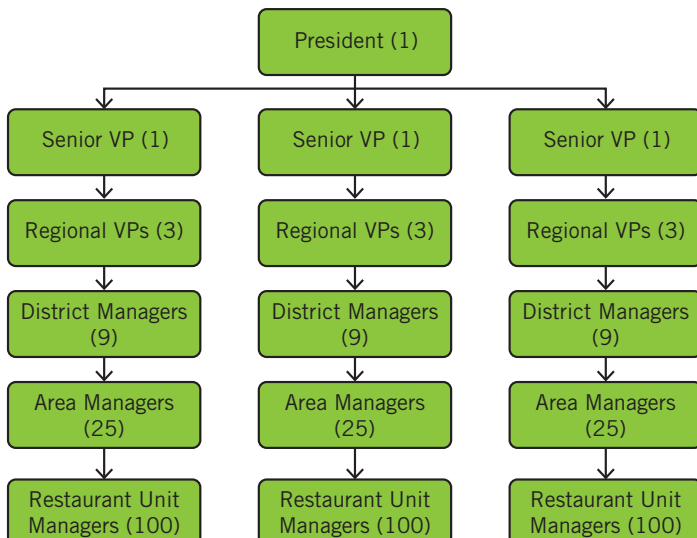
**Decentralized Organization**—an organization where decision-making authority is distributed.

When you think of management, what is the first word that comes to mind? It is probably “power” or “authority.” Power is the ability to influence others’ behavior. Managers have the power to establish policies, such as dress code, or the power to make decisions about how guest interactions should be handled. However, not all managers have the same levels of power, and different companies have different power structures.

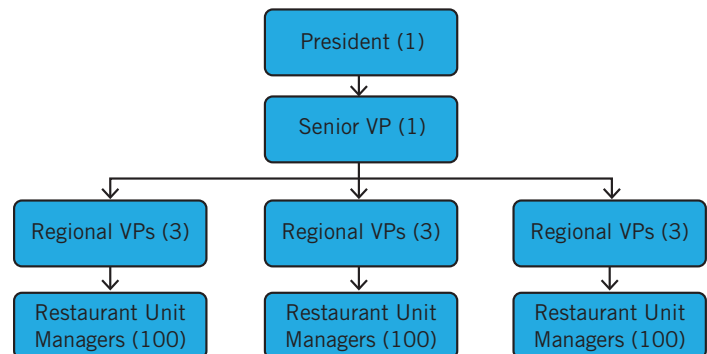
In **centralized organizations**, most decision-making authority is at top management levels. **Decentralized organizations** distribute decision-making authority. The degree of centralization or decentralization is determined by where decisions are made—at the corporate headquarters or at the unit level. Some large restaurant chains, for example, may give unit managers broad decision-making power in matters that affect their branches. However, a small hotel may have a highly centralized power structure if the general manager micromanages every department in the hotel.

There is no right or wrong approach to power structure. Just like management style, the degree of centralization or decentralization depends on what is best for the organization. In times of financial crisis, a high degree of centralization may be most appropriate. Top managers can take control and work out the crisis. Decentralization may be most appropriate for organizations that face fast-changing market conditions because they can usually respond faster and more effectively to change.

Centralized Structure



Decentralized Structure



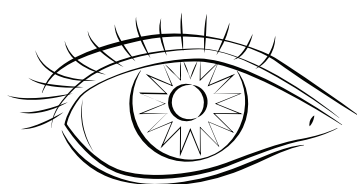


In order for decentralization to work, there has to be a high level of **empowerment** in an organization. Empowerment is a redistribution of power within an organization that enables managers, supervisors, and employees to do their jobs more effectively. The goal of empowerment is to enhance guest service and increase profits by passing decision-making responsibility, authority, and accountability to every level within the company. When employees are empowered, decision making, troubleshooting, and problem solving can happen much more quickly. Staff does not have to wait for information to move up the structure and for directives to come back down; information flows freely in every direction.

Decentralization and empowerment begin with changes in the leadership roles of top managers. Top-level managers must influence others to accept new responsibilities that accompany increases in power. They do this by involving managers, supervisors, and employees in defining the values, mission, and goals of the organization. Linking everyone with a shared vision helps them understand how their work contributes to the overall success of the company.

## TERMS YOU SHOULD KNOW

**Empowerment**—the practice of enhancing guest service and increasing profits by passing decision-making responsibility, authority, and accountability to every level within the organization.



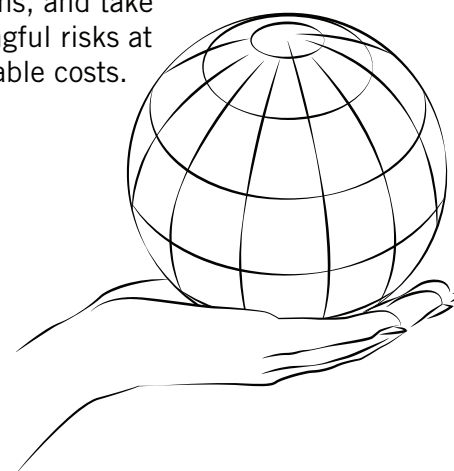
Top-level leaders involve managers, supervisors, and employees in creating a shared company vision.



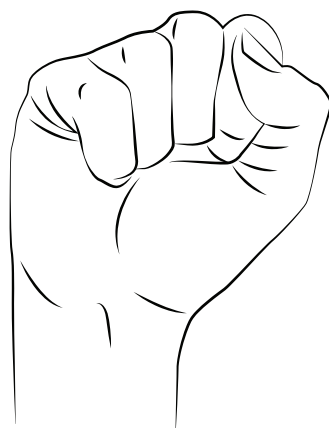
Top-level leaders provide training, coaching, and support for members of their management team.



Managers and supervisors learn how to accept greater responsibility, access more information, adopt new roles, solve larger problems, and take meaningful risks at reasonable costs.



Managers empower employees by sharing business-related information and explaining the important ways in which employee performance helps the company succeed.



## Section

## 2.5

# Showing Respect and Value for Diversity

### TERMS YOU SHOULD KNOW

**Diversity**—the human quality of being different or varied.

**Demographics**—the statistical data of a population, showing breakdowns of age, race, income, education, etc.

**D**iversity in the workplace is the presence of people who differ in age, race, national origin, gender, religion, sexual orientation, and other attributes. There are two major reasons for managers to be concerned with diversity. The first is **demographics**. A diverse workforce is a fact of modern life. If a company is not yet diverse, it soon will be. Simply throwing different people together does not create a productive work environment because cultural misunderstandings and prejudice can cause conflict, bad decisions, and poor performance. The second reason is that diversity is not just the right thing to do—it's good for business. A diverse workforce is uniquely poised to understand and respond to the needs of a diverse customer base.

Managing diversity means making all guests feel welcome and building a global workforce where individuals from various backgrounds with different experiences are respected and valued. Managers should focus on removing barriers that inhibit the creation of an inclusive environment.

Three main benefits of diversity in the workplace are:

- Increased productivity
- Improved quality of management
- Better service and new markets



## Increased Productivity

People who enjoy coming to work generally produce more. People who believe that their work will be valued, or that their work will lead to advancement, are also inclined to work harder. In addition, research has shown that diverse groups are generally more creative and innovative than homogeneous groups, or groups that are composed of the same kind of people. When employees see a diverse group of leaders in an organization, they recognize that there is opportunity for everyone to experience professional growth. This, in turn, leads to employees who are more engaged and motivated to do their best work.

## Improved Quality of Management

Including all employees in competition for managerial positions may open the door to highly qualified individuals who may have been unable to advance in the past due to discriminatory actions or policies. Exposure to colleagues from a variety of backgrounds can help managers develop new ways to solve workplace problems.

## Better Service and New Markets

Multiculturalism in business is growing, and companies must embrace it to stay competitive. A customer is more likely to buy from someone he or she can identify with. A hotel that has no minorities at the front desk may be less attractive to an African-American or Hispanic group than one that does. A hotel gift shop that does not stock diverse periodicals may send a message that the hotel's management is not sensitive to the needs of different groups. Thus, a diverse organization is better able to understand what diverse customers need and to create loyalty with them.

Diversity within an organization can also result in larger shares of diverse markets. Before 2020, the market segments of women, African-American, Hispanic, Asian-American, and LGBT (lesbian, gay, bisexual, and transgender) customers are projected to grow by a large margin. In addition, as you will learn in Section 2.6, increased global tourism is expected to bring more diverse international audiences to American markets.



## Bringing Diversity to Life

Leaders must embed diversity in the DNA of their organization. To do this, they must have “buy-in,” or support, from every manager and employee. Many organizations have established diversity programs, which encourage:

- Keeping an eye on diversity in hiring practices by ensuring equal employment opportunity
- Giving minority-owned suppliers and contractors an equal opportunity to earn their business
- Documenting how diversity practices have been good for business to increase buy-in

Many laws have been instrumental in increasing diversity in American workplaces by providing equal employment opportunities and protection to all people. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee based on the person’s race, religion, sex, national origin, disability, or genetic information.



**Equal Pay Act 1963**  
Requires that men and women in the same workplace be given equal pay for equal work.



**Pregnancy Discrimination Act 1978**  
Prohibits discrimination against pregnant women.



**Title VII of the Civil Rights Act 1964**

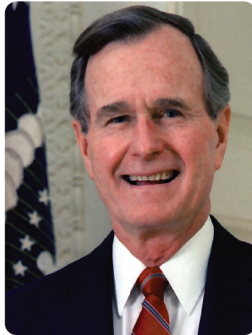
- Bars discrimination on the basis of race, sex, religion, color, and national origin.
- Prohibits sexual harassment of an employee by a supervisor.

**Age Discrimination in Employment Act 1967**  
Bars discrimination against people over 40. Some states have age discrimination laws that also protect people under 40.

1960

1970

1980



### **Family and Medical Leave Act 1993**

Provides for mandated unpaid employee leave for up to 12 weeks for the birth, adoption, or serious illness of a child, or the serious illness of a parent or spouse, with a return to the same or equivalent job.



### **Americans with Disabilities Act (ADA) 1990**

Prohibits workplace discrimination against people with disabilities.



### **Title II of the Genetic Information Nondiscrimination Act 2009**

Bars discrimination against employees or applicants because of genetic information, such as genetic tests or family medical history.

1990

2000

2010

# Global Guest Audiences

## TERMS YOU SHOULD KNOW

**Inclusive**—not excluding any particular group of people.

**I**nternational tourism brings more than \$150 billion to the U.S. economy every year. More than 63 million international visitors a year rely on the hospitality and tourism industry to provide them with world class guest service. Each visitor brings a unique blend of customs, perceptions, and expectations to every guest interaction. To get and keep this international business, hospitality and tourism leaders must be prepared to host global guest audiences.

It is leaders' responsibility to ensure that their organizations are prepared to meet the needs of international guests. As a manager, you should:

1. **Be proactive, not reactive.** It is better to anticipate and plan for special guest needs than to have to resolve complaints due to cultural misunderstanding.
2. **Do your homework.** Research international customs that might impact your business, whether general rules to follow or specific information about a particular group your organization is expecting to host.
3. **Create training programs and quick reference guides for staff.** Help employees stay informed about the cultures of your property's frequent international guests. Be sure that employees are aware of any special resources, such as maps or brochures in other languages. Make sure employees know where they can obtain translation services and other resources.
4. **Get employees involved.** Identify employees who speak other languages well enough to serve as translators. Ask staff to share their experiences in serving international guests. Brainstorm with employees ways to resolve complaints your company has received from international guests.
5. **Be a role model.** The best way to lead your staff to embrace global guest service is by modeling **inclusive** behavior and providing both domestic and international guests with exceptional service.

Creating a positive impression can create international publicity for your business through word of mouth or various technologies, including social media and travel websites.

## Types of Tourism

In order to provide excellent service, it is important to know just who your guests are but also why they are traveling. People travel for different reasons, including recreation, business, or to visit friends and family. In recent years, several distinct types of tourism have become very popular.

**Ecotourism:** involves visiting fragile, pristine, and relatively undisturbed natural areas. It focuses on socially responsible travel and is often intended to educate tourists about the impact of human beings on the environment. Examples of ecotourism include going on a safari, taking a zip line adventure through a rainforest, bird watching, or visiting the Mayan ruins.











**Agritourism:** the practice of attracting visitors and travelers to agricultural areas for educational and recreational purposes. It shows people how their food is produced. Many small farmers use agritourism to help supplement their farming income. Agritourists can vacation on an olive farm in Tuscany, pick grapes at a winery, find their way through a corn maze, or work on a cattle ranch.

**Culinary tourism:** differs from agritourism in that it seeks to create a memorable eating and drinking experience—not necessarily focus on the source of the food. Culinary tourists might visit a winery or brewery, attend a food festival, or take a cooking class. Many cities have food tours of different neighborhood's cuisines.

**Medical tourism:** involves traveling to a different place, often across international borders, for medical treatment. People may travel to a location where medical care is less expensive or where they can receive alternative or experimental treatments. Some of the countries that are attracting medical tourism are India, Thailand, Philippines, Singapore, and Malaysia.

**Heritage tourism:** means traveling to experience the places, artifacts, and activities that represent the stories and people of the past. Heritage tourists can attend a Native American pow wow, take a cruise on a historic riverboat, or visit battlefields, historic homes, military forts, plantations, and other heritage sites. Heritage tourism also includes people traveling to places where they have family roots.

**Foreign Arrivals  
to the United States, 2011**

Country	In Millions
 Canada	21.0
 Mexico	13.4
 United Kingdom	3.8
 Japan	3.2
 Germany	1.8
 France	1.5
 Brazil	1.5
 South Korea	1.1
 China	1.1
 Australia	1.0

Source: American Hotel & Lodging Association, 2012 Lodging Industry Profile

# Section

# 2.7

## Welcoming Other Cultures

One of the benefits of working in the hospitality and tourism industry is the opportunity to serve and learn from different kinds of people from all over the world. However, sometimes misunderstandings and conflicts can arise due to employees' limited knowledge of or previous exposure to other cultures.

Various employees who may have contact with international guests include:

- Restaurant servers/bartenders
- Reservation agents/ticket sellers
- Room attendants
- Concierges
- Information booth operators
- Bus/shuttle drivers
- Cashiers
- Tour guides
- Fitness instructors
- Flight attendants

Management must set the tone for developing an international service style and provide training on how to handle common situations successfully.



### Diversity

President Jimmy Carter signed a joint resolution in 1978 that declared May 4–10, 1979, as the first Asian-Pacific American Heritage Week. This was later extended by President George H.W. Bush in 1990 to a month-long celebration. The month commemorates the arrival of the first Japanese immigrant, a fisherman named Nakanohama Manjiro, to the United States on May 7, 1843, and marks the anniversary of the completion of the transcontinental railroad on May 10, 1869. Most of the workers who laid the tracks were Chinese immigrants.



## Diversity Abroad and in Our Backyard

It is important to be aware that employees will encounter diversity from both international travelers and domestic guests. America is a mosaic of people from different races, religions, and cultural backgrounds. Some common cultural differences that might impact guest service and interactions include dress and eating habits, vocabulary and language differences, smoking customs, perceptions of time, regard for authority, and cultural or religious restrictions.



## TERMS YOU SHOULD KNOW

**Verbal Communication**—use of words.

**Nonverbal Communication**—use of visual cues, such as facial expression and eye contact.

## Communicating with Other Cultures

Both **verbal communication** and **nonverbal communication** are important when interacting with guests from other cultures.

### Verbal communication tips

1. Speak slowly and clearly, but do not patronize guests.
2. Speak at a normal volume.
3. Avoid slang, technical words, and acronyms.

### Nonverbal communication tips

1. Minimize gestures, especially pointing, as it can be considered rude.
2. Never touch international guests.
3. Be aware of cultural differences in how eye contact and smiling are perceived.



## A Manager's Checklist

Depending on available time and resources, there are a variety of ways a manager can prepare employees to welcome guests from other cultures, including:

- Train all staff members who have contact with guests on welcoming other cultures and international travelers.
- Provide employees with information about the international guests who visit the property most frequently so they know what to expect.
- Invite speakers from countries from which you have frequent visitors to talk to employees about their countries. Ask speakers to describe difficulties a person from their country might have during a visit to the United States. You may also ask speakers to teach employees some basic phrases or greetings in their language.
- Provide incentives to employees who are willing to attend classes to learn a second language.
- Show employees how to convert American temperatures, weights, and measures into the metric system. Provide a printed reference guide or a link to a website that calculates conversions.
- Provide employees with a list of common terms in several languages for quick reference. Additionally, you may provide phrase books, bilingual dictionaries, or access to websites that offer translation.
- Keep a list of available foreign language resources in all departments.
- Make sure your property uses international symbols as well as English signs pointing out restrooms, telephones, exits, etc.
- Offer menus, maps, brochures, and other printed information in the languages spoken by your most frequent international guests.
- Keep on hand special items that guests might request, such as voltage converters, menu selections, eating utensils, or foreign language movies.
- Provide currency exchange for international guests.
- Offer a guide to tipping in the United States.





# Purpose of the Mission Statement

Organizations function better when everyone—owners, managers, and employees—works toward the same goals; otherwise, there is bound to be confusion about where they are going and how they intend to get there. Forming a **mission statement**, or a description of the organization’s reason to exist, can help focus everyone in the same direction. In times of fast change, growth, or hard times, everyone within the organization can turn back to the organization’s mission for clarity and stability. Depending on the needs of the company, a mission statement can be short and simple or long and complex. Mission statements can contain some or all of the following elements:

## TERMS YOU SHOULD KNOW

**Mission Statement**—a broad description of an organization’s reason to exist.

- The nature of the organization (extended stay hotel, full-service restaurant, spa, historic tour company, airport shuttle service)
- The organization’s purpose (to provide food, lodging, meeting space, recreation and relaxation, transportation)
- Major markets served (business travelers, families)
- Goal or desired image (to be the hotel of choice, to provide 100 percent guest satisfaction)

Here are some examples of mission statements from different hospitality and tourism organizations:

### Mandarin Oriental Hotel Group

Our mission is to completely delight and satisfy our guests. We are committed to making a difference every day; continually getting better to keep us the best.

### Wyndham Worldwide

We will be the global leader in travel accommodations welcoming our guests to iconic brands and vacation destinations through our signature Count On Me! service.

### Panda Express

Deliver exceptional Asian dining experiences by building an organization where people are inspired to better their lives.

### Carnival Cruise Lines

Our mission is to take the world on vacation and deliver exceptional experiences through many of the world’s best-known cruise brands that cater to a variety of different geographic regions and lifestyles, all at an outstanding value unrivaled on land or at sea.

## TERMS YOU SHOULD KNOW

**Values Statement**—a description of the core values that should shape the culture of the organization and guide the behavior of individuals.

**Vision Statement**—a description of the future of the organization.

A **values statement** identifies the core values, common convictions, and acknowledged principles that unite an organization's management and staff. Some examples of company values are:

- Personalized guest service
- Environmentally safe practices
- Teamwork
- Respect
- Commitment to quality
- Individual worth
- Delivering shareholder value
- Ethical business practices
- Giving back to the community
- Continuous improvement

While the mission and values statements communicate the purpose of the organization and what it stands for, a **vision statement** describes where the organization wants to be at a specific point in the future. The vision statement helps managers focus their efforts on a long-range plan to move the company to where it wants to be. The following are examples of company vision statements:

### Montage Hotels & Resorts

Montage will be the brand of choice for discerning consumers, our communities, our investors and our associates.

### Smith & Wollensky Restaurant Group

To be recognized as the premier classic American steakhouse brand for business and social dining domestically and abroad.

### Manchebo Beach Resort & Spa

At the Manchebo Beach Resort & Spa, located on the most beautiful white beach and turquoise blue sea of Aruba, we promise to preserve a safe and healthy environment for the island of Aruba, its people and visiting guests.

### Spring Run Golf Club

Constantly striving to be the best bundled golf community in Southwest Florida.

# Communicating Employee Purpose and Role

When new employees start their first day of work, they are nervous, but they are also excited. Their first impression of the organization begins with **orientation**, where they learn about the company and their specific positions. This is the perfect opportunity for management to foster pride in the organization and its goals. By creating a well-planned orientation and providing training, managers can communicate to employees that they are welcome and valued. Employees need to know that their presence in the organization is important and that their performance makes a positive contribution to the company's goals. There are many benefits to having employees attend orientation.

Orientations help:

- Reduce turnover
- Communicate expectations to employees
- Put new employees at ease
- Show how individual jobs fit into the overall company mission
- Employees feel invested in the company's goals

## TERMS YOU SHOULD KNOW

**Orientation**—the process of introducing new employees to the company and their jobs.



## Types of Orientation

Orientation programs differ from company to company. As a rule, there are two types of orientation. A general orientation is an introduction to the company as a whole, including its values and philosophy, and helps new employees understand their purpose in the organization. A manager's role in the general orientation is to provide all employees with a consistent message. They should understand the overall goals of the organization and see how their specific job fits into those goals. A general orientation usually includes:

- Discussion of the company's mission and values
- Introduction to various departments
- Review of policies and procedures
- Discussion of guest and employee relations
- A tour of the property



The second type of orientation is a specific job orientation, which focuses on explaining the employee's role in his or her department. The manager's role during a job orientation is to begin building a relationship with the employee. During this time, the manager can establish his or her expectations and let the employee know how to meet those expectations. When each employee is aware of his or her role, the department and the company will run more smoothly. The specific job orientation explains what is expected of employees in terms of job performance. It helps employees quickly become productive members of the team and creates a more cooperative team environment. Employees are introduced to:

- Their responsibilities
- Safety information and key department policies and procedures
- The work environment and the location of necessary equipment
- The department's relationship to other departments
- People with whom employees will work on a daily basis



## New Employee Orientation Checklist

Name of Employee: \_\_\_\_\_ Position: \_\_\_\_\_

Department: \_\_\_\_\_ Supervisor: \_\_\_\_\_

For each item below, put a check in the box and record the date the activity is completed or the information is provided.

### Introduction

- \_\_\_\_\_ Welcome
- \_\_\_\_\_ Tour of the property

### General Information

- \_\_\_\_\_ Our mission and values
- \_\_\_\_\_ Company structure
- \_\_\_\_\_ Policies and procedures
- \_\_\_\_\_ Salary/benefits/services

### Your Position

- \_\_\_\_\_ Tour of department work area
- \_\_\_\_\_ Introduction to fellow employees
- \_\_\_\_\_ Review of task lists and job breakdowns
- \_\_\_\_\_ Job shadowing

I certify that all the above activities were completed on the date indicated.

Employee: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

## Orientation Activities

As stated earlier, orientations differ depending on the company. Companies who hire large numbers of employees at one time may hold group orientation sessions, while smaller companies may have an individual orientation for each new hire. Some orientations might involve watching a video about the company or reading print or online materials. Others might be one-on-one sessions with a manager. Orientation may even include staying in the hotel or eating a meal in the restaurant where the employee is going to work. This can help employees understand the guest experience and the level of guest service they will be expected to provide.

The role of managers during the orientation process is to make sure that employees feel comfortable and to answer any questions employees may have. It is also important to evaluate the orientation process to make sure that it continues to be effective. This might involve having employees fill out evaluation forms after the orientation or talking informally with employees to ask what information they found helpful and what else might need to be included to help them understand their purpose and role within the company.



# Section

# 5.8

## Media Training

### TERMS YOU SHOULD KNOW

**Public Relations**—the process of communicating favorable information about an organization to the public.

One aspect of a manager's job may be handling **public relations**. Public relations, or PR, can be defined as targeted communications that present your organization in a favorable light. Depending on the size of the organization and its available resources, public relations might be handled internally by management or externally by a PR firm. Public relations is part of an overall marketing strategy, and its main goal is to build brand recognition and attract new customers. Hospitality and tourism organizations relate with numerous publics, or groups of people, including:

- Guests
- Community leaders and residents
- Media outlets
- Suppliers and vendors
- Other segments of the travel industry
- Employees
- Shareholders and franchisees



## Publicity

There are many misunderstandings about what public relations is and is not. For example, **publicity** is often confused for public relations. Publicity is having your business's name mentioned in a newspaper, in an industry blog, on the radio, or on television. Receiving such free press coverage is an important tool of public relations. However, publicity can be negative as well as positive—think of all the publicity surrounding cruise ship disasters. Unexpected positive publicity can result when a celebrity visits your establishment and talks to the media about his or her experience. Publicity can also be planned, such as getting the word out about planned expansions or special programs.

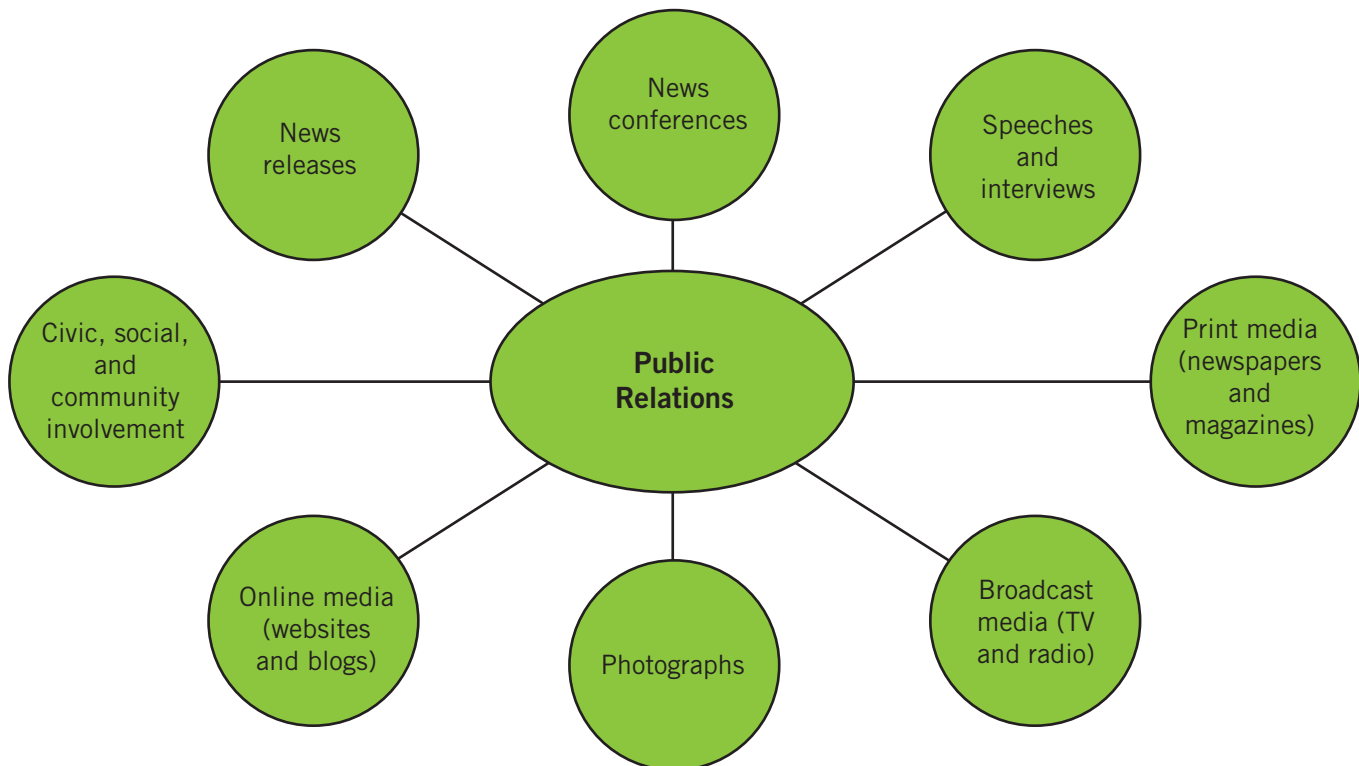
## Public Relations Opportunities

Various occasions that present good public relations opportunities include anniversary dates, grand openings or expansions, accomplishments of employees or the company, special guests or events, receiving awards or certificates, new ownership/management, special displays, and community involvement. At these times, a company might reach out to members of the media.

### TERMS YOU SHOULD KNOW

**Publicity**—the media's gratuitous mention of an organization.

### Public Relations Resources





## Media Relations

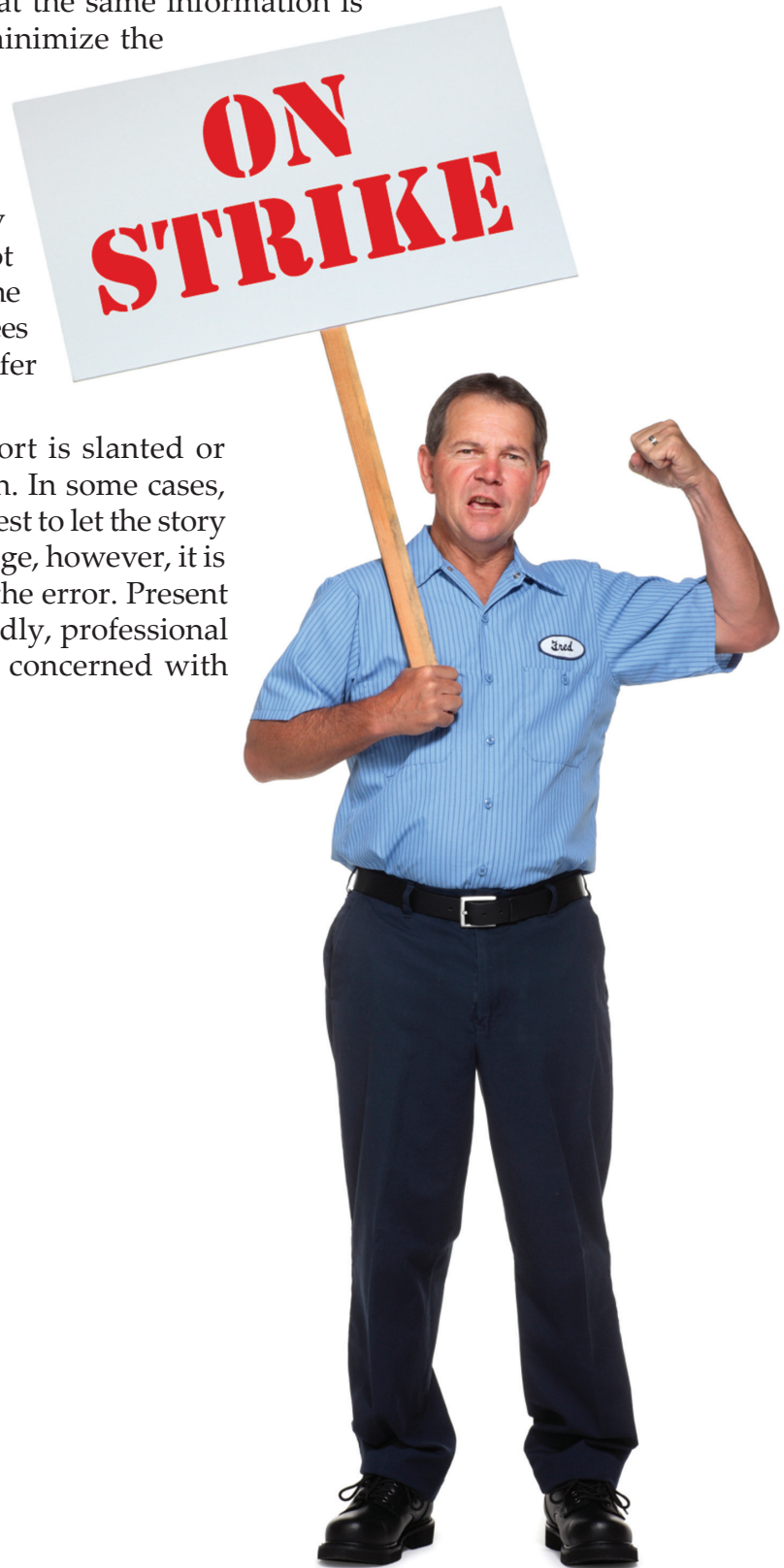
The variety of PR opportunities and outlets might make public relations seem like an easy job. However, dealing with the media is one of the most difficult tasks managers undertake because the media is very powerful. It reaches many consumers and can have an impact on how much business your company receives, so managers who interact with the media must receive media training. Above all, the media spokesperson should be prepared and knowledgeable. Whether the talk is about technical matters or corporate strategy, make sure the speaker has a firm grasp of the topic being discussed. The following are guidelines for managers or other spokespersons who have direct contact with the media:

1. **Schedule appropriately.** Except in emergency situations, try to schedule news conferences or interview times that will be convenient to the media organization. Media outlets operate in a deadline-driven environment. Provide information in a timely manner and respect deadlines.
2. **Tell the truth.** The information you provide should be honest and straightforward. Do not reveal confidential or proprietary information, but make sure that all your facts are correct. If you don't have the answer to a question, don't lie or invent information. Simply say, "I do not have that information at the moment; I will call and provide it to you today."
3. **Provide the facts and follow up.** Supply the key facts in writing to reduce the chance of being misquoted. If possible, follow up with media representatives to ensure all facts are accurate.
4. **Be concise.** People usually get into trouble with the media for what they say, not for what they don't say. Provide the facts in a concise and objective manner. The more you talk, the more likely you are to make a mistake.
5. **Maintain good media relations.** Your attitude should be friendly and open. Hostile, reactionary, or standoffish responses will damage your credibility and relationship with the media. Someone who dislikes you will not be eager to give you air time. If media representatives are visiting your establishment, make sure to provide ample parking, be on time, and stay organized.

## Handling Emergencies

It is important to develop a public relations strategy for dealing with emergencies or other situations that can generate negative coverage, such as labor disputes, inappropriate behavior of staff or managers, or injuries or deaths on property. One of the most important strategies is to designate one spokesperson and prepare a message. This will ensure that the same information is presented to different media outlets and minimize the possibility that facts will be misrepresented. If the media raises difficult questions, the spokesperson should never reply with “No comment,” but should provide reasons why he or she cannot answer. Some questions may need further investigation, and others cannot be answered for legal reasons (such as when the next of kin have not yet been notified). Employees who are approached by the media should refer all inquiries to the company spokesperson.

There may be times when a media report is slanted or contains misleading or incorrect information. In some cases, the mistake will not affect business, and it is best to let the story die. If the story is going to cause lasting damage, however, it is better to contact the media outlet to correct the error. Present your case and back it up with facts in a friendly, professional manner. Members of the media are just as concerned with being accurate as you are.



## Section

## 6.2

# Responsibilities of the Front Office Manager

The front office manager position requires a very specific set of skills: a mix of superior customer service skills and a thorough understanding of hotel accounting. Although the organizational chart may vary depending on the size of the property, the front office manager usually reports to the assistant manager or the general manager and is responsible for managing some or all of the positions shown in the illustration below.

To become a front office manager, an employee typically must have at least a two-year college degree, as well as a minimum of one year of hotel front desk supervisory experience. He or she should also have experience with handling cash, accounting procedures, and general administrative tasks.

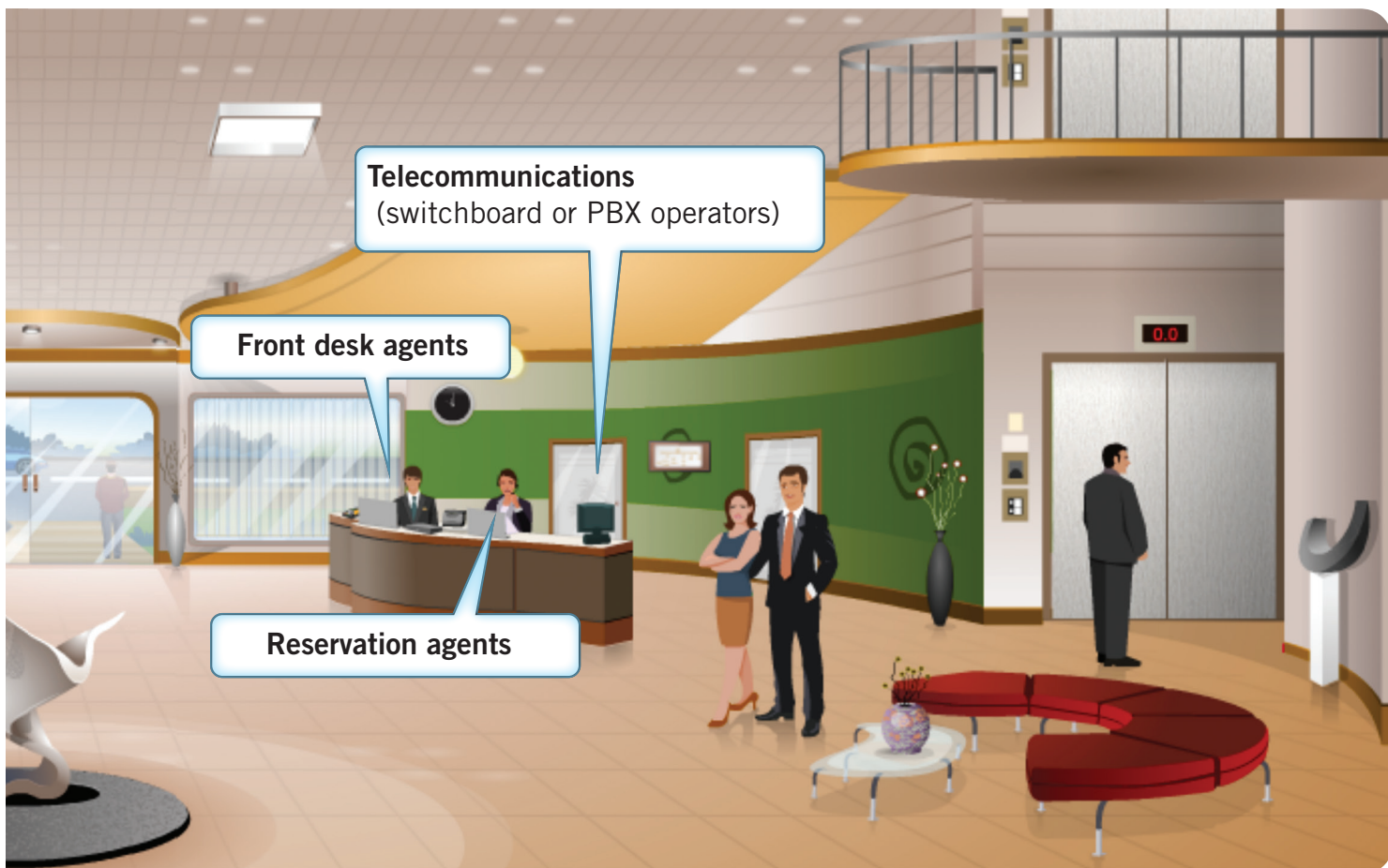


The major duties and responsibilities of the front office manager include:

- Hire, train, schedule, supervise, conduct meetings, and evaluate the performance of front office personnel
- Maintain working relationships and communicate with other departments, such as housekeeping and engineering
- Maintain master **key control**
- Verify that accurate room status information is maintained and properly communicated
- Resolve guest problems quickly and courteously
- Work within the allotted budget for the front office
- Check cashiers in and out and enforce all cash-handling, check-cashing, and credit policies

## TERMS YOU SHOULD KNOW

**Key Control**—procedures that control access to property keys in order to increase guest security and privacy and to reduce the possibility of theft.



## TERMS YOU SHOULD KNOW

**Forecasting**—the process of analyzing current and historical data to determine future trends.

## Forecasting

One of the most important functions of front office managers is **forecasting** the number of rooms available for future reservations. Forecasting is predicting the volume of business for a particular month, week, or day (or meal period for a restaurant). Forecasts are used to help manage the reservations process and guide front office staff in effective rooms management. Forecasting may be especially important on nights when 100 percent occupancy is possible. Occupancy forecasts help determine how much rooms are sold for, when rooms are taken out of inventory for maintenance, and how many employees are scheduled to work based on the expected volume of business.

Forecasting is a difficult skill to develop. The skill is acquired through experience and effective recordkeeping. Several types of information can be helpful in room availability forecasting:

- A thorough knowledge of the hotel and its surrounding area
- Occupancy data for the previous few months and the same period last year
- A listing of special events in the surrounding area
- The room availability of the most important competing hotels
- Plans for remodeling or renovating that would change the number of available rooms

Using such information, the front office manager needs to predict the:

- Number of rooms available for sale
- Number of walk-ins
- Number of expected stayovers
- No-show percentage
- Number of overstays/understays
- Number of expected check-outs

This data will allow the front office manager to produce a 3-day and a 10-day forecast. These forecasts may be helpful to other department managers as well. For example, the housekeeping department manager needs to know how many rooms the front office expects to be occupied to properly schedule room attendants. Restaurant managers must know the same information to better schedule service staff. The chef requires this figure to determine how much food to purchase.

## ADA



Due to ADA requirements, hotels must keep track of guests with disabilities. One reason for this is to ensure that all disabled guests are accounted for in case of an emergency. This report is distributed to the various departments that need this information.



# Reports: The Night Audit Paper Trail

A hotel is a 24-hour, seven-day-a-week business, and the front office operates continuously, with three shifts per day. The night audit occurs during the last shift, which is when the financial day at the hotel ends and a new one begins. The purpose of the night audit is to compare guest account transactions recorded in the property management system (PMS) or at the front desk against revenue center transactions, such as purchases at the hotel's gift shop or room service orders. This routine helps guarantee the accuracy, reliability, and thoroughness of front office accounting. An effective night audit increases the likelihood of correct account settlement.

Most of the manual work once performed by night auditors is now done automatically. The PMS can automatically post room charges and initiate the audit routine at a specific time. However, even in a fully-automated system, the night auditor must be able to manually verify all the posted entries to guest and non-guest accounts. In addition, he or she should be able to complete the audit by hand if the computer system is down. There are a variety of reports tied to the night audit process. These reports enable the night auditor to complete the process accurately and efficiently.

An automated PMS performs several audit functions continuously and can generate the following types of reports: reservation confirmation; revenue center summary; no-shows and expected arrivals and departures list; guest ledger report; room status report; non-guest billing statement; and specialty reports (group sales, frequent stays or VIPs, promotion sales, etc.). The following sections provide a closer look at some of the reports and their relationship to the night audit.

## Audit Posting Formula

The posting formula for calculating or verifying account balances is the same for any account. The previous balance plus debits and minus credits gives the net outstanding balance.

Previous Balance	+	Debits	-	Credits	=	Net Outstanding Balance
<b>PB</b>	<b>+</b>	<b>DR</b>	<b>-</b>	<b>CR</b>	<b>=</b>	<b>NOB</b>

Here is an example of how to use the audit posting formula. Assume a guest account has a previous balance of \$280 on which a further charge of \$60 is made. The net outstanding balance becomes \$340. This figure is transferred as the previous balance for the next transaction, which is a credit payment of \$12.80. The credit is subtracted from the previous balance, leaving a net outstanding total of \$327.20.

Previous Balance	Debits	Credits	Net Outstanding Balance
\$280.00	\$60.00		\$340.00
\$340.00		\$12.80	\$327.20

$$\$280.00 + \$60.00 - \$0.00 = \$340.00$$

$$\$340.00 + \$0.00 - \$12.80 = \$327.20$$

## TERMS YOU SHOULD KNOW

**High-Balance Report**—lists guest and non-guest accounts that have reached or exceeded assigned credit limits.

**Daily Transcript**—shows guest accounts that had transactional activity on that particular day.

**Supplemental Transcript**—tracks the day's transactional activity for non-guest accounts.

**Final Departmental Detail and Summary Report**—prepared and filed for accounting division review to prove that all transactions were properly posted and accounted for.

**Daily Operations Report**—summarizes the day's business and provides insight into revenues, receivables, operating statistics, and cash transactions related to the front office.

**Daily Summary**—also called the flash report, provides a snapshot of important operating statistics for the previous day, as well as month-to-date totals.

## Guest Credit Limits

Part of the night audit process involves monitoring guest credit to identify any high balance accounts—accounts that have reached or exceeded assigned credit limits at the close of the business day. Night auditors must check credit company floor limits and the hotel's house limit. The floor limit is the maximum amount the hotel can charge to a guest's card without getting authorization from the credit card company. The house limit is the maximum guests can charge to their rooms. Night auditors must also be able to judge the guest's status or reputation as a potential credit risk. Once high-balance accounts have been identified, the night auditor must prepare a **high-balance report** for appropriate front office management action. Front office software can flag these accounts automatically.

## Daily and Supplemental Transcripts

A **daily transcript** is a detailed report of guest accounts that had transactional activity on that particular day. Data on a daily transcript is broken down by revenue center, transaction type, and transaction total. A **supplemental transcript** tracks the day's transactional activity for non-guest accounts. Together, they detail all the transactions that occur on a single hotel day. These two reports are useful when trying to identify out-of-balance accounts. For example, the total of charged purchases reported by the hotel's restaurant should equal the total amount of restaurant charges posted to guest and non-guest accounts.




## Preparing Reports for Management

The night auditor typically prepares reports about front office activities and operations. Due to the sensitive and confidential nature of the information in these reports, the night auditor must promptly deliver them to the appropriate managers. The **final departmental detail and summary reports** are prepared and filed for accounting division review. They can be used as proof to show that all transactions were properly posted and accounted for. The **daily operations report** summarizes the day's business and provides insight into revenues, receivables, operating statistics, and cash transactions related to the front office. This report is the most important outcome of the night audit.

Another important report is the **daily summary**, or flash report. It provides a snapshot of important operating statistics for the previous day, as well as month-to-date totals. Hotel managers often read this report at the start of a work shift. The daily summary may also show an occupancy and rate forecast for the new business day, which lets managers know of any changes that may have happened overnight.

# Labor Costs and the Night Audit

Federal and state wage and hour laws apply to all hotel positions, including the front office. In addition, work hours in some properties may be modified by **labor union** contracts and rules. A 40-hour workweek is the typical workload for front office employees in most hotels. A front office employee may work any one of the property's work shifts, depending on the front office's needs and the staff member's availability. Traditional front office work shifts are:

	Day shift	7 a.m. - 3 p.m.
	Evening shift	3 p.m. - 11 p.m.
	Night shift	11 p.m. - 7 a.m.

The front office manager, just like the managers of other departments within the hotel, must control **labor costs**. He or she must balance the need to provide excellent guest service with the department's budget. There are several ways to manage front office labor costs.

A recent trend in front office operations is to provide a limited level of guest service during late night hours, thus reducing the number of employees required on the night shift. In mid-size and smaller hotels, the night auditor also serves as the front desk agent.

Part-time employees are an increasingly important source of labor for the hospitality and tourism industry. Many potential workers, such as students, parents of young children, and retirees, may not be available to work full time. Part-time workers give the front office flexibility to respond to fluctuating guest demands. For example, one front desk agent may work from 6 a.m. to 2 p.m. so that wake-up calls and check-outs can be handled more efficiently through the 7 a.m. shift change. Scheduling a front desk agent to work from 10 a.m. to 6 p.m. may allow for smooth processing of late-morning check-outs and guest arrivals during the time when evening shift staff are scheduled for a meal break. Using part-time workers can help reduce overall labor costs for the front desk because these workers are not eligible to receive benefits.

## TERMS YOU SHOULD KNOW

**Labor Union**—an organization of workers formed for the purposes of protecting employee rights and for dealing collectively with employers about wages, hours, benefits, and working conditions.

**Labor Costs**—the sum of all wages paid to employees, as well as the cost of employee benefits and taxes paid by an employer.

## TERMS YOU SHOULD KNOW

**Cross-Train**—to train an employee to do different jobs within an organization.

## Separation of Duties

In larger hotels, the front office may be organized according to functions, with different employees handling separate areas. This separation of duties can serve as an internal control to safeguard the integrity of front office accounting procedures. It ensures that no single individual is wholly responsible for all phases of a transaction. If the same front desk employee were allowed to sell a guestroom, post the charge, verify the posting, and collect the payment for the room, there would be no way for another staff member to detect mistakes or possible embezzlement. Instead, duties should be split among employees to maintain better control:

- Reservations agent sells the room
- Front desk agent performs the posting
- Night auditor does the verification
- Front office cashier collects the payment

Such a separation of duties may not be practical in a small hotel, where staff members are **cross-trained** and job duties are typically combined. For example, the front desk agent may also serve as the cashier and information clerk. In such situations, the front office manager must ensure the integrity of the accounting process through the other measures, such as the night audit.



## Diversity

A front office that is operated by people from various races, ages, genders, and ethnic backgrounds reflects a property's value of diversity. Diverse guests feel more welcome at a diverse front desk. International guests may use the front desk to exchange currency, find a translator, or request other special assistance. Hotels that accommodate large numbers of international guests may even provide travel information and menus in various languages.



# Being the Executive Housekeeper

## TERMS YOU SHOULD KNOW

**Area Inventory List**—all items within each area of a hotel that are the responsibility of housekeeping.

**Frequency Schedule**—indicates how often items on area inventory lists are to be cleaned or maintained.

**Deep Cleaning**—the process of taking a room out of inventory and cleaning it more thoroughly than during regular daily maintenance.

Like all other managers in a hotel, the executive housekeeper uses available resources to meet the objectives set by top management executives. Planning is the executive housekeeper's most important management function. Without adequate planning, every day would present one crisis or another. Constant crises decrease employee morale, decrease productivity, and drive expenses higher. Also, without the focus that planning provides, the executive housekeeper can easily become sidetracked by tasks unrelated to meeting the hotel's objectives.

## Planning

Planning the work of the housekeeping department begins with the executive housekeeper creating **area inventory lists**. These are lists of all items within each area that will need housekeeping's attention. Area inventory lists are long and extremely detailed. Since most properties offer several different types of guestrooms, separate inventory lists may be needed for each room type. The list should follow the order in which room attendants will clean items and in which supervisors will inspect them. This enables the executive housekeeper to use the inventory lists as the basis for developing cleaning procedures, training plans, and inspection checklists.

**Frequency schedules** show how often items on area inventory lists are to be cleaned or maintained. Some items must be cleaned every day. Others must be cleaned or maintained on a weekly, biweekly, or monthly schedule. These items become part of a **deep-cleaning** program and are scheduled as special projects. Whenever possible, special cleaning projects should be scheduled when occupancy is low. Also, deep cleaning must be flexible. For example, if maintenance schedules repair work on several guestrooms, the executive housekeeper should make an effort to schedule around these projects. Most guestrooms are deep cleaned between two and four times a year depending on occupancy levels. Higher occupancy results in more wear and tear on the furniture and fixtures in guestrooms. Therefore, a hotel with higher occupancy will need to deep clean its guestrooms more often than one with lower occupancy.

## Sample Frequency Schedule

Special Projects	Frequency	
	Per Week	Per Month
1. Wash down tile walls in restrooms	1	
2. Strip and wax the following:		
Restrooms (as necessary)		1
Basement hallway	1	
Lounge, lobby, and stairs		1
3. Shampoo the following:		
Registration area		1
Stairs		1
Restrooms		1
All dining rooms		2
All lounges		1
Coffee shop		1
Meeting rooms		1
Guest elevators		1
Employee cafeteria (as needed)	2	
4. Spot shampoo the following:		
Front entrance		2
Side entrance		2
Front desk area		2
5. Wash windows in pool area		1
6. Dust louvers in pool area		1
7. Clean guest and service elevator tracks	1	
8. Polish kitchen equipment		1
9. Polish drinking fountains	1	
10. Clean outside of guest elevators	2	

## Collaborating with the Front Office

Teamwork between housekeeping and the front office is essential to daily hotel operations. The front desk agent cannot assign guestrooms until the rooms have been cleaned, inspected, and released by the housekeeping department. Typically, rooms are recycled for sale according to the following process.

Each night, a front desk agent creates an **occupancy report**. It lists rooms occupied that night and indicates guests who are expected to check out the next day. The executive housekeeper picks up this list early the next morning and schedules the occupied rooms for cleaning. As guests check out of the hotel, the front desk notifies housekeeping about the change in room status. Housekeeping gives these rooms top priority so that clean rooms are available for arriving guests. The executive housekeeper assigns guestrooms for cleaning based on their status. The chart on page 128 defines typical room status terms used in the lodging industry.

## TERMS YOU SHOULD KNOW

**Occupancy Report**—lists rooms occupied that night and indicates guests who are expected to check out the next day.

## TERMS YOU SHOULD KNOW

### Housekeeping Status

**Report**—shows the current housekeeping status of each room.

**Room Status Discrepancy**—a situation in which the housekeeping department’s description of a room’s status differs from the room status information being used by the front desk to assign guestrooms.

### Select Room Status Definitions

Room Status	What It Means
Early make-up request	These rooms should be cleaned first to meet guest needs.
Vacant and dirty	Cleaning vacant rooms before stayover rooms helps arriving guests get into their rooms more quickly. These rooms are also called check-out rooms and should be cleaned early in the shift.
Stayover	The guest is not checking out today and will remain for at least one more night. These rooms can be cleaned later in the shift.
Late check-out rooms	The guest has requested to check out later than the standard time. The room should not be cleaned until the guest has checked out.
DND (Do Not Disturb)	The guest has requested not to be disturbed. Check back on this room later in the shift.
No service	The guest has requested that the room not be cleaned. Do not put this room on the schedule today.
Vacant and ready	The room has been cleaned and inspected and is ready for an arriving guest.

At the end of the shift, the executive housekeeper prepares a **housekeeping status report** based on a physical check of each room in the property. This report shows the current housekeeping status of each room. It is compared to the front desk occupancy report, and any discrepancies are brought to the attention of the front office manager. **Room status discrepancies** can affect the hotel’s ability to meet guests’ needs and maximize rooms revenue. If a room is clean and ready for sale but the front desk agent does not know it, the agent may turn away business needlessly.

## Green Practices



New guestroom key-card systems allow the front desk to track when a room is occupied. These key-card systems also help control energy usage and costs. As guests enter their room, they place the card in a key-card reader, which initiates “comfort” mode. This mode turns on the lights and the heating or air conditioning and allows guests to control the thermostat. As guests take the card and leave, the system initiates “energy saving” mode. The lights turn off after 15 seconds, and the heating or air defaults to a predetermined temperature. Such a system can provide about 25-40 percent savings on guestroom energy costs.



## Sample Housekeeping Status Report

Housekeeper's Report				A.M.			
Date _____, 20 _____				P.M.			
ROOM NUMBER	STATUS	ROOM NUMBER	STATUS	ROOM NUMBER	STATUS	ROOM NUMBER	STATUS
101		126		151		176	
102		127		152		177	
103		128		153		178	
104		129		154		179	
105		130		155		180	
106		131		156		181	
107		132		157		182	
108		133		158		183	
120		145		170		195	
121		146		171		196	
122		147		172		197	
123		148		173		198	
124		149		174		199	
125		150		175		200	
Remarks: _____ _____ _____ _____ _____ Housekeeper's Signature				Legend: ✓ - Occupied 000 - Out of Order — - Vacant B - Slept Out (Baggage Still in Room) X - Occupied, No Baggage C.O. - Slept In but Checked Out Early A.M. E.A. - Early Arrival			

Promptly notifying the front desk of the housekeeping status of rooms is a tremendous help in registering guests who arrive early, especially during high-occupancy and sold-out periods. In a computerized room-status system, housekeeping and the front desk have instant access to room information. When a guest checks out, a front desk agent enters the departure into the system. Housekeeping is then automatically alerted that the room is vacant and ready to be cleaned. Next, housekeeping attendants clean the room and notify the housekeeping supervisor that the room is ready for inspection. Once the room is inspected, the inspector enters this information into the system. The front office is notified that the room is available for sale.

## Section

## 7.7

# Managing Housekeeping Green Practices

### TERMS YOU SHOULD KNOW

**Just-in-Time Buying**—the practice of buying products just before they are needed.

**H**ousekeeping managers today play an important role in ensuring their properties are wisely using resources, preventing waste, and contributing to an environment that is safe to live in. Given how much of the property housekeeping employees see and touch every day, they are in an ideal position to identify potential green opportunities. The executive housekeeper in particular is responsible for a wide variety of green management duties, including:

**Communication:** Housekeeping managers must communicate information about the property's green initiatives to staff and guests. It is also helpful to create a formal process for employees and guests to provide feedback on green practices.

**Training:** The annual cost of energy and water for a hotel can be reduced by as much as 10 percent by training employees to operate the hotel efficiently. It is essential to train housekeeping and laundry attendants to follow the hotel's green policies.

**Purchasing:** The executive housekeeper can implement green practices in purchasing, including buying in bulk, using local suppliers, buying more durable supplies for longer use, and **just-in-time buying** to reduce waste. Sometimes, employees may use more of a product if there is a large quantity of it on the shelf, while they are more likely to conserve it if there is a small amount.



Green practices can be implemented in many ways within the housekeeping department.



### Water Conservation

- Implement towel and linen reuse programs in guestrooms.
- Install low-flow faucets, shower heads, and toilets in guestrooms.
- Install automatic faucets and toilets in public restrooms.
- Switch to water-efficient washing machines.
- Wash only full loads of laundry.



### Energy Efficiency

- Turn off heating and cooling systems, coffee makers, hair dryers, televisions, radios, and other appliances in unoccupied guestrooms.
- Use natural lighting while cleaning guestrooms.
- Limit the amount of hot water used for cleaning.
- Close draperies and shades when leaving guestrooms.
- Use the coolest temperature setting for washers.



### Waste Management

- Place recycling receptacles in guestrooms for paper, glass, and cans.
- Purchase toilet paper, tissues, and paper towels with recycled content.
- Reuse retired linens by turning old sheets into laundry bags and stained tablecloths into napkins.
- Donate old linens, clothing hangers, and other items to homeless shelters, humane societies, veterinarian offices, thrift shops, etc.
- Purchase items that use reduced packaging or for which the supplier takes the packaging back and reuses it.
- Use dispensers for amenities instead of single-use disposable bottles.



### Indoor Air Quality

- Use High Efficiency Particulate Air (HEPA) filters and replace them regularly.
- Clean air handler units and coils at least annually.
- Eliminate moisture or standing water that promotes mold and mildew growth.
- Use environmentally preferred cleaners.



### Cleaning Chemicals

- Purchase biodegrade, low toxicity, and low volatile organic compounds (VOCs) cleaning products because they are safer for employees and guests.
- Use as little of the chemical as possible to achieve the desired result.
- Dispose of chemicals properly through the waste management system, not the storm sewer system.
- Clean up chemical spills safely and as quickly as possible to prevent them from soaking into surfaces or entering the ventilation system.

# Function of the Chief Engineer

**F**acilities managers in charge of lodging properties may have one of a variety of titles, such as chief engineer, director of engineering, director of property operations, or director of facilities. Their responsibilities may vary as well. Small, economy lodging properties have chief engineers who do much of the work themselves and require more technical than managerial skills. At larger properties, the chief engineer is more of a manager, controlling a large budget and staff. In commercial buildings, facilities managers may also oversee housekeeping and security activities.

Facilities staffing varies with the age of the property, services offered, and the types of systems it has. Staffing also depends on whether most repairs and renovations are covered by in-house staff or contract services. In lodging, staffing levels of 2.5 to 4 facilities staff per 100 rooms is the average.

## Job Title: Chief Engineer

**Job Description:** Manages and coordinates the work of a skilled engineering staff, placing particular emphasis on guest satisfaction and maintaining the property in good working condition.

### Responsibilities:

#### Technical

- Current on all safety and sanitation policies and procedures
- Familiar with chillers, cooling towers, chemical treatments, water systems, boilers, refrigeration systems, compressors, etc.
- Strong energy management background
- Strong skills in HVAC, electrical, mechanical, plumbing, carpentry, etc.

#### Managerial

- Interviewing, hiring, and training employees; planning, assigning, and directing work; evaluating employee performance
- Instilling a guest service and “can-do” attitude in all employees
- Ability to sell concepts and ideas to management, peers, and employees
- Ability to lead by example and hands-on approach to management

## Cost Control

Cost control is one of the top priorities of the chief engineer. Hospitality and tourism facilities generate several types of costs. First, the facilities must be designed, developed, and constructed. Once occupied, they must be operated. Eventually, they must be renovated and modernized. Each of these phases has its own unique expenses.

### Costs of Development and Construction

Even a 100-room economy hotel can cost several million dollars to build, while a large luxury property could cost several hundred million dollars. These costs include construction; furniture, fixtures, and equipment (FF&E); development, including fees (architectural, consultant, legal, accounting) and payments (surveys, feasibility studies, insurance, soil tests); and financing. Hotels also have pre-opening costs, which include employee salaries, training, advertising, promotions, and office expenses.

**Hotel Development Costs**

Cost Category	Percent of Total
Construction	60-65
FF&E	15-18
Development	10-12
Financing	8-10
Pre-opening	3-4
Working Capital	1-2
Reserve for Opening Shortfall	3-5

\*Excluding land, which can be 10 to 20 percent of the final total.

A facility that is constructed with appropriate quality and good budget control should have predictable maintenance and operating costs. However, one that was poorly designed or built with cost overruns or cost-cutting due to poor budget planning, poor project management, or poor construction practices will face major problems in the first few years of operation.



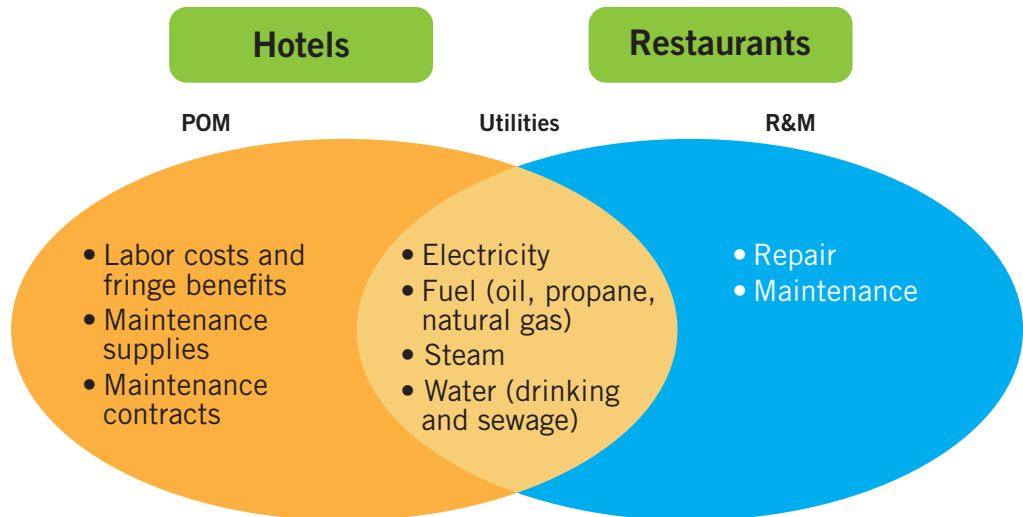
## TERMS YOU SHOULD KNOW

### Capital Expenditures

**(CapEx)**—the money used by a company to improve long-term physical assets such as property, buildings, or equipment. These are expenditures over a minimum dollar amount for the purchase of items and equipment expected to last more than one year.

### Costs of Operation

The two main categories of facilities operation are maintenance and utilities. Lodging properties refer to maintenance as property operation and maintenance (POM) and restaurants refer to it as repair and maintenance (R&M). Restaurants typically spend more on utilities than hotels, but restaurant costs are lower because they do not include labor.



POM and utilities costs vary based on occupancy—the higher the occupancy, the more of a building is heated and cooled and the more equipment is operated. Weather plays a large role in determining utilities costs. In addition, the costs of POM will generally correlate to the construction costs of a property. That is, the more you spend to build the property, the more you spend to maintain it.

### Costs of Renovation and Modernization

One of the jobs of the chief engineer is to plan for and implement **capital expenditures (CapEx)**. CapEx can include replacing worn-out furniture or equipment, as well as replacement due to changing technology or market demand. In addition, CapEx covers franchise product demands and regulatory requirements such as the ADA.

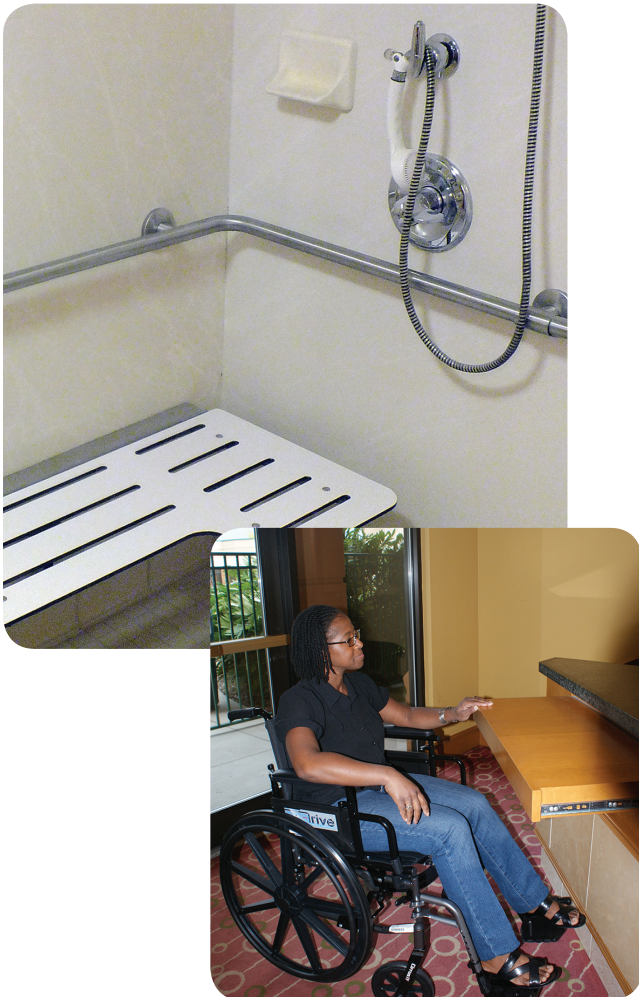


# Budgeting to Meet ADA Requirements

**M**any factors must be taken into consideration when planning and designing a new property or renovating an existing property. Hospitality and tourism businesses are subject to a variety of regulations, from zoning codes to health standards to sign ordinances. Buildings must comply with local building and fire codes. The aim of these codes and regulations is to keep guests safe. Construction or renovation budgets must account for meeting these regulations

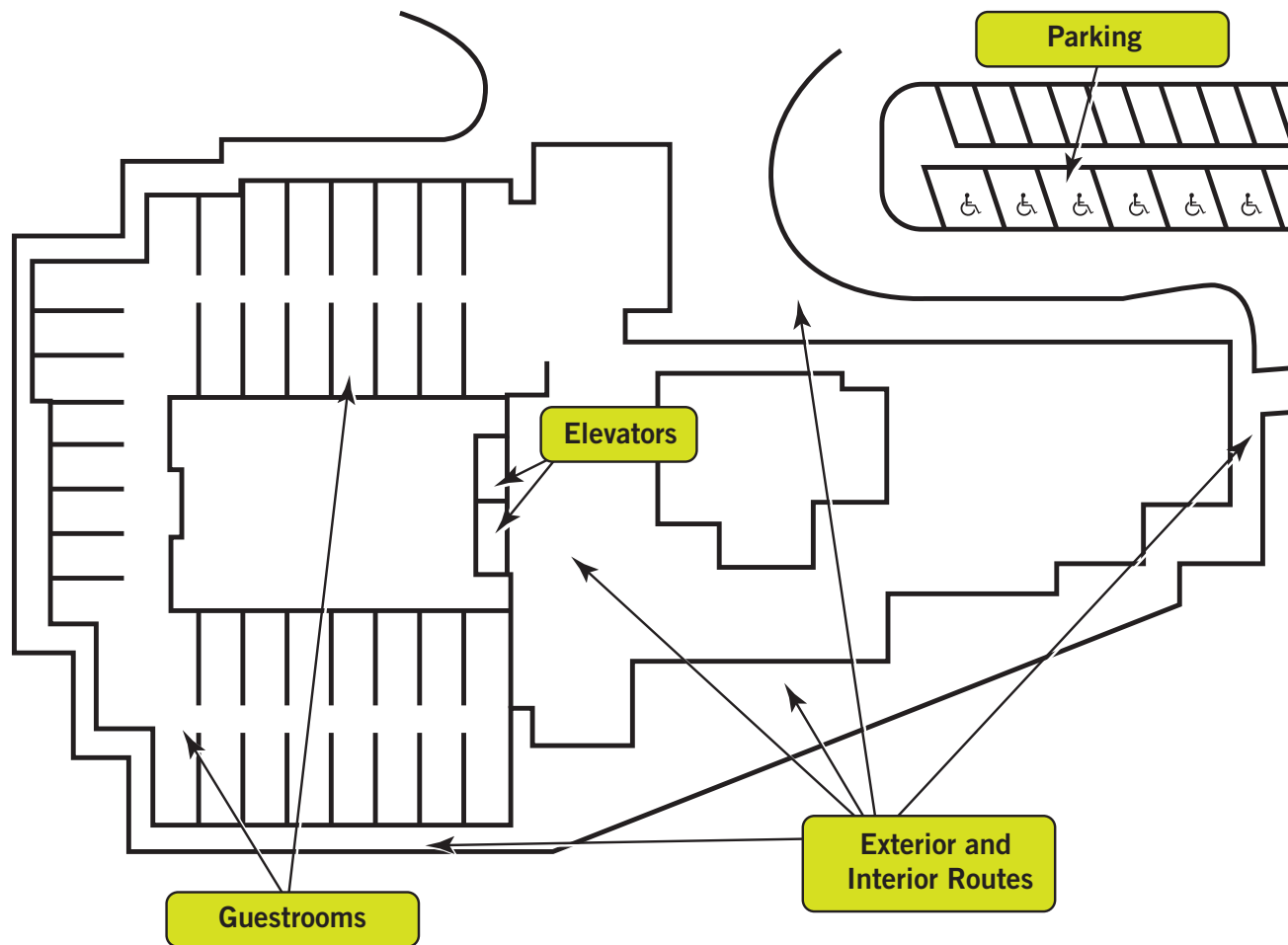
The chief engineer must also confirm that the property is in compliance with the ADA. One lengthy section of the ADA deals with public accommodations, including lodging. Non-compliance with the law leaves properties vulnerable to lawsuits either from individuals or the U.S. Department of Justice, the government body tasked with enforcing ADA compliance. Many properties set aside a part of the budget for meeting ADA requirements.

To help new lodging properties comply with the law, the U.S. Department of Justice has identified these five steps:



1. Obtain copies of the ADA requirements and give them to your architect and building contractor.
2. Tell your architect and building contractor that you expect your new facility to comply with the ADA.
3. Make sure the building plans do not contain common ADA mistakes.
4. Make sure the facility is being built according to the ADA requirements as shown in the building plans.
5. Inspect the facility at the completion of construction to identify ADA mistakes and have them fixed.

## Common ADA Accommodations at Lodging Properties



### Guestrooms

- Door width of at least 32 inches
- Visual notification devices, including fire alarms
- Lowered light switches
- Roll-in shower

### Elevators

- Wheelchair accessible
- Audible floor indicators and Braille control signals

### Exterior and Interior Routes

- Wheelchair-accessible sidewalks, walkways, and hallways
- Ramps for those unable to climb stairs

### Parking

- Accessible parking spaces
- Van-accessible spaces



# Emergency Systems Planning

**B**ecause of their knowledge of the facility and its systems, facilities managers play a leadership role in property emergency planning. If a catastrophic event causes damage to the facility, the staff must be prepared to secure the facility from further damage and restore the facility to proper operation. Facilities have a variety of emergency systems to ensure guest and employee safety during emergencies. These include:

- Power
- Lighting
- Communications

## Power

Emergency power systems supply power to the building during temporary interruptions. They are generally required for all types of hospitality businesses except possibly very small food service establishments. Among the items that might be connected to this system are lighting, fire detection and alarm systems, fire pumps, and public safety communications systems. The two main types of emergency power systems are:

- Battery backup units: standby power supply (SPS) or uninterruptible power supply (UPS)
- Generators

Emergency power systems must be properly maintained and tested to make sure they will operate correctly when needed. Maintenance may include:

- Checking the charge and fluid levels of batteries
- Checking proper ventilation of battery rooms
- Cleaning battery terminals to prevent corrosion
- Testing generator systems



## Lighting

Emergency lighting exists in most public buildings and areas. Think about exit signs in a movie theater or emergency lights on an airplane. These lighting systems are necessary in the event of a power failure to guide people to the exits. Emergency lighting requirements for a property will be specified in local building codes, with which facilities managers must comply.

Emergency lighting systems should have their own power source, independent of the regular lighting system. In the event of a power failure, the emergency lights should come on after no more than 10 seconds and must provide light for 1.5 hours. Exit signs operate 24 hours a day and must be kept in good working order. There are a number of options to reduce energy usage from exit signs, including using LEDs, low-wattage incandescent lamps, compact fluorescent lamps, and self-luminous signs.

## Communication

To provide information to guests in case of an emergency, lodging properties should install voice and visual alarm and communication systems. Emergency voice alarm communication (EVAC) systems combine a warning alarm with a pre-recorded message providing guests with information about proper procedures to follow in case of a fire or other emergency. The systems allow property staff or the fire department to override the message to provide additional instructions.

To notify hearing-impaired guests of fires and other emergencies, visual signaling devices are used. They consist of strobe alarms located in guestrooms, in hallways, and on hotel exit signs. Voice alarms and other communication systems must be periodically tested for proper operation.



### ADA



Guests with disabilities are often at greater risk during emergencies. They may be unable to hear warning signals or to exit a building quickly. In addition to visual alarm systems, new hotels are required to have fire sprinklers and a rescue assistance area on each floor where guests who are unable to use stairs should wait to be evacuated. These areas should connect directly to an exit, such as a fire stair; be large enough for two wheelchairs; and be out of the path of other emergency exits.

# Menu Management

The menu is like a restaurant's business card—it defines an operation's concept and communicates that concept to guests. A menu is one of the single biggest influences on an operation's development of a loyal guest base and a positive return on investment of energy, money, time, and other resources. One of the goals of menu development, then, is to influence the behaviors and emotions of the guests reading the menu. From influencing guests to select the more profitable items on the menu to making them feel good about their menu choices, the menu serves as a statement of the restaurant's theme. It's a plan for the entire food and beverage operation, and it should be carefully developed with guest needs and expectations in mind.

## Menu Planning

To produce a memorable menu—one that will please guests and help achieve the goals of the operation—there are several objectives a menu planner must meet. The menu must:

- Meet or exceed guest expectations
- Attain marketing objectives
- Meet quality standards
- Be cost-effective
- Be accurate
- Achieve a balance between traditional and innovative menu items
- Be appropriate for the operation's facilities

## Selecting Menu Items

Choosing items to feature on the menu is a complicated process with many variables. Planners must balance costs with guest needs and expectations. After menu planners have considered these and other factors, they can select the items they wish to offer in the following categories:

- Appetizers
- Soups
- Salads (side and entrée)
- Entrées
- Desserts
- Beverages (alcoholic and nonalcoholic)

## TERMS YOU SHOULD KNOW

**Fixed Menu**—does not change from day to day but may feature daily specials.

**Cyclical Menu**—changes daily for a certain number of days until the menu cycle repeats itself.

**À la Carte Menu**—offers and prices each food item on an individual basis.

**Prix Fixe Menu**—offers a complete meal with several courses for one price.

**Menu Engineering**—evaluating the menu by studying the popularity and profitability of menu items.

## Menu Types

Menu planners must also decide on which meal periods to focus. The three traditional meal periods are breakfast, lunch, and dinner. While some food and beverage operations do most of their business at breakfast and lunch, others are primarily dinner houses. Some restaurants may choose to feature each meal period on a separate menu. Others may have a combination menu. There is also a wide range of specialty menus, including: children's, senior citizens', alcoholic beverages, dessert, room service, take-out, banquet, poolside, afternoon tea, and many others.

Another way to classify menus is to determine whether they are fixed or cyclical. A **fixed menu** does not change from day to day, although it may feature daily specials in addition to the regular items. A **cyclical menu** changes daily for a certain number of days until the menu repeats itself. These types of menus are often found in schools, healthcare facilities, and other types of cafeterias. Another popular classification is based on the pricing structures of menus. Many restaurants use an **à la carte menu** that offers and prices each item on an individual basis. Guests may select from a variety of different salads, entrées, vegetables, desserts, and beverages that are all individually priced. A **prix fixe menu**, on the other hand, offers guests a fixed price meal that includes several courses.

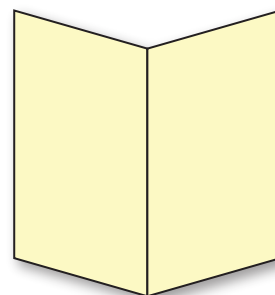
## Electronic Menus

Increasingly, menus are appearing on the screens of various electronic devices, including big-screen televisions, smartphones, and tablets. Touch screen menus located at the tables in some restaurants can transmit orders directly to the kitchen and accept table-side payments.

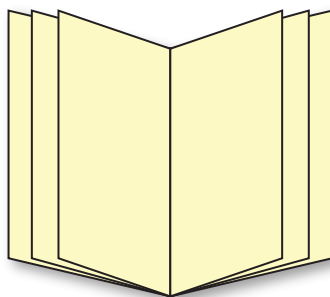
## Menu Formats



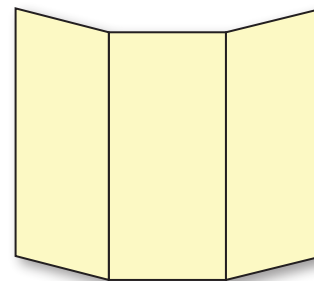
Single-Panel Menu



Two-Panel Menu



Two-Panel Multi-Page Menu



Tri-Panel Menu

## Menu Design

Menus are sales tools, so they must be designed to grab the attention of guests quickly. A well-designed menu complements an operation's overall theme, blends with the interior décor, and helps sell the most profitable menu items. The following are the top ten rules for successful menu design:

1. **Speak plainly.** Use terms that are familiar to the reader; carefully select text to appeal to those who read it.
2. **Say what is important.** Because of various restrictions, such as diets and allergies, guests need to know whether menu items contain ingredients like wheat, pork, nuts, dairy, or shellfish.
3. **Do not be afraid to be descriptive.** The use of appealing adjectives, such as “crispy,” “fresh,” and “sizzling,” paints a mental picture of the item in the guest's mind.
4. **Say it correctly.** Whenever a description, point of origin, or government grade or preparation technique is used on the menu, it must be accurate.
5. **Describe accompaniments.** Include a description of all items that accompany the main dish.
6. **Remember, “less is more.”** Describe only those ingredients that add significantly to the flavor and value.
7. **Maintain a sense of perspective.** Do not try to recommend everything; focus on signature menu items, with no more than two or three per menu category.
8. **Spell it properly.** If you wish to create an image of being the expert, make sure everything on the menu is spelled correctly and uses correct grammar.
9. **Punctuate properly.** Remember to use a comma between items in a series, such as “breadcrumbs, mushrooms, and fresh parsley.” Another common mistake is to use an apostrophe to indicate plurals; an apostrophe should only be used in contractions (isn't, don't) and possessives (chef's).
10. **Follow the rules of good typography.** Select a paper color, ink color, font, and point size that can be read in the level of lighting in the dining area. Leave sufficient blank space between items and sections to make the menu easy to follow.

## Changing the Menu

No matter how well-planned and designed they are, menus should be evaluated periodically. **Menu engineering** allows managers to study the popularity and profitability of each menu item. Managers can evaluate the menu by asking pertinent questions or using menu management software. The following factors can influence menu changes:

### External

- Guest demands
- Economic factors
- Competition
- Supply levels
- Industry trends

### Internal

- Operation's meal pattern
- Concept and theme
- Operational system
- Menu mix

# Section

## 9.4

# Purchasing Supplies and Equipment

Food and beverage operations require a wide variety of supplies and equipment in order to serve guests properly. If the operation is part of a chain, purchasing is typically done centrally by staff at the chain's headquarters. This centralized approach often results in lower prices for bulk orders. Managers at independent operations must do their own purchasing.

Purchasing is more than just placing an order. Purchasing practices have a direct impact on the operation's bottom line. Therefore, it is very important to purchase the *right* product at the *right* time from the *right* distributor for the *right* price. The following are some common supplies and equipment food and beverage operations must purchase.

Supplies	
China	
Glassware	
Flatware	
Disposable items	
Uniforms	
Linens	
Furniture	

Equipment	
Holding tables (food warmers)	
Coffee urns and makers	
Refrigerators and freezers	
Dishwashers	
POS systems	
Handheld terminals	
Electronic pocket pagers	

## Establishing Quality

Managers must decide what types and quality of supplies and equipment can best meet guest needs. For example, just as you would not use expensive china in a quick-service operation, you would not use plastic flatware in a full-service restaurant. Whenever possible, managers should consider purchasing manufacturer's brands that are available from more than one distributor. **Open-stock items** are much easier to replace than **custom-made items** produced by a single distributor.

## Establishing Par Levels

Restaurant supplies are maintained at what are known as par inventory levels, or stock levels. Managers must set the par levels and decide the minimum level that each item can be allowed to reach before an order must be placed to build the item's inventory back up to its established par level. The minimum level is called the reorder point. If par levels are set too high and supplies are overstocked, problems with cash flow, theft, or wasted storage space can occur. In contrast, if par levels are set too low and there aren't enough supplies on hand, guest and staff member frustration and dissatisfaction can result. There are so many different kinds of food and beverage operations that it is impossible to generalize about specific par inventory levels that should be maintained for a given item. It is the responsibility of the general manager of each independent operation to determine par levels based on the type of operation, the number of seats, operating hours, and many other factors.

**Sample Par Levels**

Item	Par Inventory Level
Plates	3 per seat
Bowls	2-3 per seat
Flatware	1½ to 3 place settings per seat
Glasses	3 per seat
Uniforms	3 per each service staff member
Linens	4 times the number used during a busy shift

## TERMS YOU SHOULD KNOW

**Open-Stock Items**—merchandise kept in stock that enables operators to replace or supplement articles, such as dishes, purchased in sets.

**Custom-Made Items**—made to individual specifications; more difficult to replace.

## TERMS YOU SHOULD KNOW

**Purchase Record**—record of the brand, purchase price, and quantity of an item ordered.

**Issuing**—the process of transferring supplies from storage areas to kitchen and dining areas.

## Receiving and Storing

The process for receiving and storing food and beverage supplies can be summarized as follows:

1. Check incoming products against the **purchase record** to ensure that what was received matches what was purchased.
2. Check incoming products against the standard purchase specification form, which lists specific quality requirements for items.
3. Check incoming products against the delivery invoice. The type and quantity of products the operation receives should match what it is being billed for.
4. Record in writing any discrepancies between what was received and what was ordered. Record any errors in price or corrections for damaged items that are returned to the distributor.
5. Move items to secure storage areas after delivery and receipt.

## Issuing

Service supplies are transferred from storage areas to kitchen and dining areas as they are needed. This process is called **issuing**. Because space for the storage of supplies in dining areas is often limited, managers must ensure that the proper quantities of service supplies—and no more—are available in these areas. Depending on the size of the operation, supplies may be requisitioned, or ordered, from storage by the general manager, assistant manager, host or hostess, or another staff member. It is important to establish and follow issuing procedures in order to prevent waste or shortages in the kitchen and dining areas.

## Controlling

Service supplies are costly; therefore, managers must properly control them. The primary control problems with food and beverage supplies involve misuse, waste, breakage, and theft. Creative staff members improvise when they do not have the materials to do their work efficiently. They might use a napkin as a potholder, thus ruining the napkin. To prevent misuse of supplies, managers must purchase proper supplies and equipment. Careless staff may waste items, such as throwing away unopened food packets or accidentally throwing flatware in the trash. Close training and supervision can help reduce this problem. Managers must also train staff to properly handle breakable items because these items are expensive to replace. Managers should also beware of theft by guests and staff members and implement programs to reduce theft, such as offering items with the operation's logo for sale.



# Managing Sanitation and Safety

**S**anitation and safety are two topics food and beverage managers cannot ignore. If an outbreak of foodborne illness is traced to an operation, the costs in human suffering, productivity (if employees become ill), medical and hospital expenses, legal expenses (including claims settlement), negative publicity, and lost business can be devastating. The costs in human suffering and medical and legal costs can also be significant if a worker or guest is injured on the property because of unsafe conditions.

Sanitation must be addressed at each stage of the food-handling process. Serious illness and even death can be caused by the failure to follow simple, basic food sanitation procedures. Safety concerns are just as vital. Food service managers have a personal, professional, and legal responsibility to provide safe conditions for employees and guests.



## Sanitation

The Hazard Analysis Critical Control Point (HACCP) system seeks to eliminate safety risks in food processing by identifying the specific hazards at each important point in a food production system. The key to successful use of the HACCP system is staff training. For each preparation step they perform, staff members must know which control points are critical and what the critical limits are at these points. Management must routinely follow up to verify that everyone is complying with the critical limits. The seven HACCP principles should be incorporated in the process:

**Step 1: Hazard analysis.** Identify significant hazards and develop preventative measures for a process or product to ensure safety. A thorough analysis includes a review of ingredients, processing, distribution, and intended product use.

**Step 2: Identify critical control points (CCPs).** Steps including cooking, chilling, recipe control, and prevention of cross-contamination are CCPs that might apply to a specific recipe.

**Step 3: Establish critical limits/preventative measures.** Proper cooking, holding, and storage temperatures are examples of standards that must be incorporated into food-handling procedures.

**Step 4: Establish procedures to monitor CCPs.** These procedures help identify problems, assess the results of corrective actions, and provide written documentation for HACCP plans.

**Step 5: Establish necessary corrective action(s).** This helps to identify reasons for deviations from HACCP plans and helps to ensure that critical CCPs are controlled.

**Step 6: Establish an effective recordkeeping system.** Plans must detail hazards at each CCP, specify monitoring and recordkeeping procedures, and outline implementation strategies.

**Step 7: Establish procedures to verify that the HACCP system is working.** Plans must be reviewed and verified, CCP records must be studied, and managers must determine that decisions for controlling damages have been effectively made when production deviations occur.

In addition to the production cycle, managers must ensure food safety during purchasing, receiving, storing, and issuing. Buyers should ensure that food is obtained from sources that comply with all local, state, and federal sanitation laws. All foods must be checked to make sure they meet quality standards when they are received. Food should be stored as soon as possible after receiving, at the correct temperature, and should be issued on a first in, first out (FIFO) basis. In other words, foods that are in storage the longest should be used first.

Food safety procedures also include proper cleaning and sanitizing of dishes, flatware, pots, pans, cooking surfaces, and the facility itself. Cleaning removes dirt from surfaces, while sanitizing reduces harmful microorganisms to acceptable and safe levels. In addition to the kitchen, regular cleaning must be performed on floors, walls, sidestations, and restrooms.

## Safety

Safety relates to the prevention of accidents, especially those that can harm guests, employees, and others. Most accidents are caused by someone's carelessness and can be prevented. The most common types of food service accidents are burns, cuts, falls, lifting injuries, and equipment accidents. Managers must ensure that staff is properly trained in the prevention of these types of accidents and injuries. If an accident does occur, the manager should fill out an accident report. Then, an accident investigation should:

1. Assess exactly what happened.
2. Determine why the accident occurred.
3. Suggest what should be done to prevent recurrences.
4. Follow up to ensure that preventative action has been taken.



Every food and beverage operation should have a clear policy on how to handle emergencies such as injuries to staff members or guests. First aid kits should be available and conveniently located. All staff members should know where first aid supplies are stored and be trained in how to use them to treat minor injuries. Because of the nature of the business, food and beverage staff must be prepared to handle incidents that involve choking. The Heimlich maneuver is often used to save choking victims. It is a good idea to have at least one person who is certified in cardiopulmonary resuscitation (CPR) on duty at all times.

## Management's Role in Sanitation and Safety

Food and beverage managers have the ultimate responsibility for developing, implementing, and monitoring the operation's sanitation and safety efforts. Their role includes the following:

- Incorporating sanitation and safety practices into operating procedures
- Ensuring that sanitation and safety concerns take priority over convenience
- Training employees in sanitary and safe work procedures
- Conducting sanitation and safety inspections
- Completing accident reports, assisting in investigations, and ensuring that problems are quickly corrected
- Assisting in treatment and seeking medical assistance for injured employees and guests when necessary
- Reporting necessary repairs or maintenance, changes in work procedures, or other conditions that are potential problems

# Labor and Revenue Control

## TERMS YOU SHOULD KNOW

**Staffing Guide**—a worksheet showing the number of labor hours that must be worked as the volume of expected business changes.

Every dollar in excessive labor costs represents a dollar subtracted from the bottom line. For example, if a restaurant consistently exceeds its labor costs by \$100 per week, that adds up to \$5,200 per year off the bottom line. How much revenue would the restaurant have to generate to make up that amount to the bottom line? Much more than \$5,200! If the restaurant's profit margin is 12 percent (.12), the restaurant would have to generate \$43,333 in gross sales to make \$5,200 in profit:

$$\text{\$43,333} \times .12 = \text{\$5,200 (rounded)}$$

## Labor Control

Labor expenses in both the kitchen and service areas are really investments in the guests' overall dining experience. As a general trend, labor costs per hour have been rising in food and beverage operations, in part due to rising minimum wages mandated by law. However, higher wages may also mean that the operation is attracting and retaining more qualified staff members. It is the responsibility of the operation's managers to achieve a proper level of staffing. When scheduling, they should aim to achieve a balance between the needs of staff, guests, and the owner. If staff levels are too low, staff members feel rushed and overworked, and guests are more likely to have a negative dining experience. Staff levels that are too high may lead to reduced tips per server, which can lead to decreased morale. In addition, high staffing levels will greatly increase labor costs and reduce restaurant profits.

Labor standards and **staffing guides** are critical to maintaining labor control. Labor standards help determine the amount of time required to perform assigned tasks, such as rolling silverware in napkins, setting up the buffet, or cleaning the dining area after a shift. Using this information, a staffing guide can be developed, which tells managers the number of labor hours needed for each position according to the volume of business forecasted. The staffing guide is a tool for both planning work schedules and controlling labor costs. When the number of actual hours exceeds the number identified by the staffing guide, managers should analyze where the difference came from and make adjustments.

## Sample Restaurant Staffing Guide

Position	Number of Meals				
	50	75	100	125	150
Food Server	8.5 5:00-9:30 7:00-11:00	9.5 5:00-9:30 6:30-11:30	16.0 5:00-9:30 6:30-11:00 7:00-10:00 7:30-12:30	16.0 5:00-9:30 6:30-11:00 7:00-10:00 7:30-12:30	19.0 5:00-10:00 6:00-11:00 6:00-11:00 7:30-11:30
Bartender	9.0 4:00-1:00	9.0 4:00-1:00	9.0 4:00-1:00	9.0 4:00-1:00	9.0 4:00-1:00
Cook	7.0 4:00-11:00	14.0 3:00-10:00 5:00-12:00	14.0 3:00-10:00 5:00-12:00	14.0 3:00-10:00 5:00-12:00	16.0 3:00-11:00 4:00-12:00
Busperson	--	2.0 7:30-9:30	4.0 7:30-9:30 7:30-9:30	5.0 7:00-9:30 7:30-10:00	7.0 7:00-9:30 7:30-10:00 7:30-9:30
Host (Manager serves as host on slow evenings)	--	3.0 6:00-9:00	3.5 6:00-9:30	4.0 6:00-10:00	4.0 6:00-10:00



## Forecasting Sales

Another important aspect of controlling labor costs is being able to forecast sales. To schedule the right number of production and service staff, managers must know approximately how many guests to expect, what they are likely to order, and when they are likely to arrive. Sales forecasts are also used to purchase, receive, store, issue, and produce menu items to serve the estimated number of guests. If too much food is purchased for the actual business volume, it could spoil, cutting into the operation's bottom line. Forecasts are usually based on historical averages for each meal period and then adjusted for current conditions. For example, such conditions as road construction in the area, a local event, or a special dining promotion can affect the forecast. Two common forecasting methods are the moving average method and the weighted time series method.

### Moving Average Method

$$\left\{ \text{Moving Average} = \frac{\text{Activity in Previous } n \text{ Periods}}{n} \right\}$$

If the numbers of Tuesday dinners served over the past three weeks have been 285, 270, and 260, respectively, the three-week moving average would be determined as follows:

$$\left\{ \text{3-Week Moving Average} = \frac{285 + 270 + 260}{3} = 272 \text{ (rounded)} \right\}$$

### Weighted Time Series Method

This method places a greater value on the most recent data. For example, if we are forecasting the number of next Tuesday's dinners, we could assume weights of 3, 2, and 1 for the prior Tuesdays, with 3 assigned to the most recent Tuesday, and so on.

1. Multiply each week's number of dinners sold by its respective weight and total the values:

$$\left\{ (285)(3) + (270)(2) + (260)(1) = 1,655 \right\}$$

2. Divide the total by the sum of its weights:

$$\left\{ \frac{1,655}{3 + 2 + 1} = \frac{1,655}{6} = 276 \text{ (rounded)} \right\}$$

## Revenue Control

Guest check systems are designed to ensure that the kitchen produces only items that were actually ordered and that revenue is collected for all items served. The majority of restaurants use electronic point-of-sale (POS) technology. However, when automated systems crash, it is important to be able to use a manual guest check system.

Before entering an order, the server “opens” the guest check in the system by inputting her identification number. Once a guest check has been opened, it becomes part of the system’s open check file. An automated POS allows managers, at any point during service, to monitor the status of any guest check, including voided items, outstanding checks, and the servers responsible. Once payment is received, the guest check status changes from open to closed.

### Processing Payment

Processing payments is an important revenue control function. Managers must ensure that a process is in place to protect guest information and prevent fraud and theft. Staff must follow all the guidelines for processing credit card payments. To prevent credit card fraud, some restaurants have instituted tableside payment using handheld devices. In most food and beverage operations, individual servers are responsible for collecting payment. Whenever feasible, a dedicated cashier should handle the payment to ensure a separation of duties.

- With a **server banking system**, servers and bartenders use their own banks of money to collect payments from guests and retain the collected revenue until they check out at the end of their shifts.
- With a **cashier banking system**, guests pay the cashier, the bartender, or the food and beverage server (who then pays the cashier or the bartender who has cashiering duties).

Staff members responsible for revenue collection are issued cash banks at the starts of their shifts. They count their opening banks to make sure they contain the appropriate amounts of each type of currency. At the end of their shifts, they count the banks again and record the amount of revenue collected.

## TERMS YOU SHOULD KNOW

**Server Banking System**— servers and bartenders use their own banks of money to collect payments from guests and retain the collected revenue until they check out at the end of their shifts.

**Cashier Banking System**— guests pay the cashier.

# Section

## 10.1

# Introduction

Special event planning, or event management, has become a popular career track in a number of hospitality schools due to the growing demand for professional management. Individuals, companies, and charitable, social, and trade organizations rely on trained and experienced people to create and execute their events.

## Event Planning

Hospitality school graduates have numerous opportunities for careers in event planning. They can join an organization's event department, work for a company specializing in producing special events, or become an independent planner. Many hotels and convention centers hire event planners to handle planning for special events held on premises, such as weddings, company parties, and meetings. Some independent event planners specialize in one kind of event (weddings, for example), while others take on any type of event—personal, cultural, leisure, or organizational. Weddings and birthday parties are personal events, while an art show is an example of a cultural event. Leisure events include concerts and organized recreational activities. Events produced for businesses or charitable groups are classified as organizational.

Event planners coordinate every aspect of the event. In some cases, they may select the city or the hotel, or another venue where the event will be held. Since event planners must deal with other contractors, such as decorators, florists, caterers, audiovisual companies, and transportation companies, they must have some knowledge of those functions. Creativity and organization are important traits for an event planner. Many clients expect the planner to recommend a unique location or create a one-of-a-kind event.

## Pineapple Fun Fact



Banquets were a popular form of entertainment during the Middle Ages. Medieval banquets contained several courses and a large number of different dishes. Those of higher rank usually dined on three courses, while attendees of lower rank got fewer courses and smaller portions. One of the most elaborate feasts in history celebrated George Neville becoming Archbishop of York in 1465. The banquet lasted several days, and the list of provisions included 4,000 pigeons, 2,000 chickens, 400 swans, six wild bulls, 1,000 sheep, 2,000 pigs, 200 pheasants, 4,000 dishes of jelly, 4,000 baked tarts, 300 tuns of ale (about 75,000 gallons), 100 tuns of wine, and many other items. Medieval-style banquets and weddings are still popular today, with many food service operations offering medieval-themed events.





## Banquets and Catered Events

This chapter will focus mostly on special events that involve banquets or catering. Banquets and catered events can represent a substantial amount of revenue for food and beverage operations and hotels. In the United States alone, banquets and catered events generate billions of dollars in revenue each year. Banquets and catered events are part of many office events, meetings and conferences in hotels, anniversary celebrations, family reunions, bar and bat mitzvahs, retirement parties, and so on. The return on sales for a banquet is typically 35-40 percent, while the return on sales in a regular dining room is only 10-15 percent. You can see from this difference that banquets and catered events can greatly add to a food and beverage operation's bottom line.

A banquet and catering operation can be an independent business, part of a large commercial or noncommercial food and beverage operation, or a department within the food and beverage division of a lodging property. In all of these various forms, a well-run banquet and catering operation can generate substantial profits for several reasons:

- **Banquets are predictable.** They have predetermined menus, hours, number of guests, and labor requirements.
- **Banquets and catered events allow flexibility in pricing.** Prime rib priced at \$30 on the regular menu may bring \$40 on the banquet menu due to the increased cost of banquet setup.
- **Food costs for banquets and catered events are lower.** This is due to the large volume and low food waste (because the number of guests is known).
- **Beverage costs are lower.** They can be controlled through pricing flexibility and volume purchasing.
- **Labor costs are lower.** Regular banquet/catering staff can be kept small and supplemented with part-time workers. Restaurants, on the other hand, must maintain a regular staff even during slow periods.
- **Additional income is generated from outside vendors.** Some banquet and catering operations work with preferred vendors (photographers, entertainers, bakeries, florists, and printers) who pay them a commission for business generated from banquet clients.
- **Banquets and catered events promote the rest of the operation and generate future business.** If guests enjoy their experience, they may return to the operation to book a function in the future.

# Section

# 10.2

## Booking and Planning Events

### TERMS YOU SHOULD KNOW

**Function Book**—a document that shows occupancies and vacancies of function and banquet rooms, used when planning events.

**Contract**—when booking events, the letter of agreement that lists every detail the two parties have discussed and agreed upon.

**Function Sheet**—lists all the details that apply to the catering function, including everything anyone at the food service operation might need to know to prepare for and provide service. Also called a Banquet Event Order (BEO).

Three documents play a primary role in booking and planning banquet and catering events:

- The **function book**, sometimes called the daily function room diary
- The **contract** or letter of agreement
- The **function sheet**, also called a banquet event order (BEO)

The screenshot shows a software window titled "FUNCTION BOOK". It features a grid with columns for time slots from 8:00 AM to 6:00 PM and rows for different rooms: HARBOUR, SHORE, BEACH, DUNE, TIDE, and REEF. The "HARBOUR" row is highlighted in orange and contains the text "Keyzerman Industries-General Session" from 8:00 AM to 12:00 PM. The "DUNE" row contains "Johnson Reception" from 12:00 PM to 1:00 PM. Below the grid, there is an "EVENT" section with fields for "Decision" and "Cutoff".



The screenshot shows a software window titled "FUNCTION SHEET". It contains several input fields for client information: Address, Name of Client, Information Board, Date, Master #, and Telephone (with separate fields for area code and extension). On the right side, there is a "CONFERENCE SETUP" section with checkboxes and input fields for: Room rental, Table setup, School / cinema style, Minerals, Writing pads / pencils, Flip chart, and Head table...pers.

## The Function Book

Managers and salespeople use the function book to determine if a certain room is available for a particular function at a particular time. The function book is also used to reserve a room after an event is sold so that no one else will commit the room for another function covering the same time period. The function book lists all of the operation's function space available for sale and has a daily time log for each space to facilitate the recording of sold blocks of time.

The function book's format depends on the size of the event planning operation and the number of function rooms. Some operations need less information than others, but entries typically include the group's name; the client's name, title, phone number, and e-mail address; the estimated number of guests; the name of the event; and the type of event (for example, lunch, meeting, expo). Using a function book to accurately keep track of sold and unsold space is very important to the operation as well as to clients. Function space that goes unsold represents lost income. That is why managers cannot afford to trust oral agreements with clients or make mistakes in making entries into the function book.

If negotiations are successful and a client decides to book with the operation, the salesperson will officially enter the event into the function book. A copy of the salesperson's proposal letter that the client has signed, a confirmation letter from the client, or a function room reservation form may serve as official authorization for the event.

### Sample Function Book

The screenshot displays a 'FUNCTION BOOK' application window. The main window features a grid with rooms listed on the y-axis (HARBOUR, SHORE, BEACH, DUNE, TIDE, REEF, LAGOON, PIER, SAND, JETTY, POOL/BKUP, LOBBY, CANAL, OCEAN) and times on the x-axis (8:00 AM to 6:00 PM). A yellow bar in the HARBOUR row indicates a booking for 'Keyzerman Industries - General Session' from 8:00 AM to 6:00 PM. A 'Johnson Reception' booking is visible in the DUNE row. An 'EVENT' pop-up window is open, showing details for the selected event:

- Account: Keyzerman Industries
- Contact: Y.M. Keyzerman (523-555-2345)
- Booking: Keyzerman Industries Job Fair
- Event: Keyzerman Industries - General Session
- Date: 10/12/13
- Rooms: Harbour AB
- Start: 8:30 AM
- End: 6:00 PM
- Type: Lunch
- Setup: Theater Style
- Decision: [ ]
- Cutoff: [ ]
- BE0: 23
- Food: 13,825.
- Bev: 175.
- Res: [ ]
- Rent: 400.

## TERMS YOU SHOULD KNOW

**Guarantee**—the figure given by the client to the property for the final number of attendees for an event.

## Contracts or Letters of Agreement

Next, the salesperson draws up a contract or letter of agreement. Every detail that the two parties have discussed and agreed upon is covered in the contract. It is important to estimate attendance figures at the time the contract is signed. However, if the event itself will be held months or even years later, the operation might not require an attendance estimate on the signing date. In some cases (such as with conventions, which have optional attendance), ticket sales fluctuate so much from the original proposal that the group may need a larger or smaller room than was originally booked. On a date that is a certain number of days before the event, as specified in the contract, the client must state the final number of attendees who are expected. This number is the **guarantee**.



The contract typically requires the client to pay a specific portion of the estimated cost at least two weeks in advance of the event's date; clients usually pay any remaining balance within 30 days after the event. Food service operations generally reserve the right to cancel an event if the client has not made the required advance payment.

Typically, the following services are included in room rental rates:

- Setup labor for normal meetings (tables, chairs, tablecloths, ice water)
- Movement of large furniture in the room to other locations
- Removal of carpets
- Public address (PA) system and microphones
- Easels, chart boards, whiteboards, movie screens, and extension cords

The following services are often not included in room rental rates but are charged separately:

- Electrical layouts, plumbing, or other services for exhibits
- Computer equipment, interactive whiteboards, DVD players
- Table decorations
- A dance floor
- Service staff, including audiovisual, electrical, or other technicians

## Function Sheets

Once the contract is signed, the salesperson must generate a function sheet, or BEO, to inform the rest of the banquet and catering staff about the event. A function sheet lists all the details that apply to the function. The salesperson who books the event completes the function sheet, then provides copies as necessary to the banquet/catering office, the manager who will schedule staff for the event, the beverage department, the accounting department, the convention service or floor manager, and the various kitchen departments. Software programs make it easier to generate function sheets.

### Sample BEO

The screenshot shows a software window titled "FUNCTION SHEET" with a blue header bar. The window contains several sections of input fields:

- Client Information:** Address, Name of Client, Information Board, Date, Master #, Telephone (with extension field), and Reservation #.
- Event Details:** Time (with Start and End dropdowns), Type of Function (dropdown), Rooms, # Pers. Guaranteed, and a Menu text area.
- CONFERENCE SETUP:** A list of checkboxes with corresponding input fields: Room rental, Table setup, School / cinema style, Minerals, Writing pads / pencils, Flip chart, Head table....pers, Stage, Speaker desk, and Welcome desk.
- LUNCH/ DINNER:** A list of checkboxes with corresponding input fields: Table setup, Host table....pers, Candesticks, Table numbers, Stage, and Dance floor.
- MENUS:** A list of checkboxes with corresponding input fields: Simple print in-house, Double print in-house, and Print by client.

The window also features standard window controls (minimize, maximize, close) in the top right corner and a help icon (?) in the top right area of the form.

## Section

## 10.3

# Preparing for Service

**P**reparing for service for banquets and catered events can include creating menus and planning décor, setting up the function room or rooms; scheduling staff members; and preparing, plating, and storing banquet food. Sometimes, however, banquets and catered events are designed by outside design firms.

### Setting up Function Rooms

The design and décor of function rooms, like the food and beverages that are served in them, can take many forms. A simple coffee break may be served in an undecorated, themeless room, while an elaborate reception featuring foods from around the world may be served in a function room that has complex decorations to fit the theme. The type of function room chosen and how it is decorated are largely dictated by the needs and expectations of the client, as well as the client's budget.

Managers should carefully plan the location of such room elements as bars, food buffet stations, ice carvings, garden and tree decorations, and stages for speakers or entertainers. The location of these elements affects the guests' experience in the room. Adequate space for display tables, guest tables, and other room elements (for example, stages and lecterns) is an important consideration for banquets and catered events. Crowded, hot rooms make for an unpleasant dining experience. Adequate space allows for more efficient movement of inventory and people. The client is usually responsible for reviewing any seating charts that the event may require. However, the manager can assist the client with that task and indicate the staff's preferences regarding seating arrangements.



Procedures for setting up function rooms vary according to the needs of the client and his or her group. The following is a partial list of placement activities required as elements of the function room:

- Runways, carpets, and pianos
- Dinner tables, meeting tables, head tables, chairs, sofas, and other seats
- Bars; buffets; and cake, registration, gift, and display tables
- Presentation and display equipment
- Linens, sugar bowls, salt and pepper shakers, and other tabletop items
- Cakes, candle holders, fountains, flowers, and decorations
- Numbers on each table or program booklets or other printed materials on each chair, if necessary

Because guests at banquets and catered events must be served quickly, service stations should be set up to allow for maximum staff efficiency. Function room service stations may have the following items:

- Microwave ovens
- Flatware
- Glassware
- Water, coffee, and tea
- Cream, sugar, stirrers, salt and pepper, and other condiments
- Placemats, linens, and napkins

Prior to opening the function room's doors and allowing guests to enter, the manager overseeing service for the event must ensure that the room setup is complete. The manager should walk through the function room (or assign someone else to do so) to make a safety check. No cords should be positioned where someone could trip over them; supports for tables, chairs, and stages should all be secure and not wobble; and doorways, hallways, and fire exits should not be obstructed.



## Scheduling Staff Members

Managers must schedule the proper number of staff members and types of staff positions for each banquet and catered event. Based on the number of special functions scheduled each day, the banquet/catering director or manager must schedule staff to set up and break down function rooms, as well as staff to perform all the guest-contact service tasks involved in the events themselves. The number of servers and other personnel that are scheduled for an event varies by operation and the type of service being offered. Among top private clubs, for example, the ratio may be one server for every 10 to 15 guests.



## Training

Training staff members to be banquet servers requires that trainers have a fundamental knowledge of all service styles and skills that might be used at events the operation hosts. Rehearsals in which service actions are repeated a number of times are often the best way to help servers internalize service styles and skills. All of the details of the function sheet should be reviewed during practice sessions.

Banquet and catering personnel also must be trained to realize that, as guest-contact staff members, they give guests first and last impressions of the operation. Some guests at banquets and catered events may have unique service needs. For example, staff members who will serve international guests at functions should be trained to be sensitive to the guests' customs. Staff should also be trained in how to serve guests with disabilities.

## Diversity

International customs that may impact banquet service include:

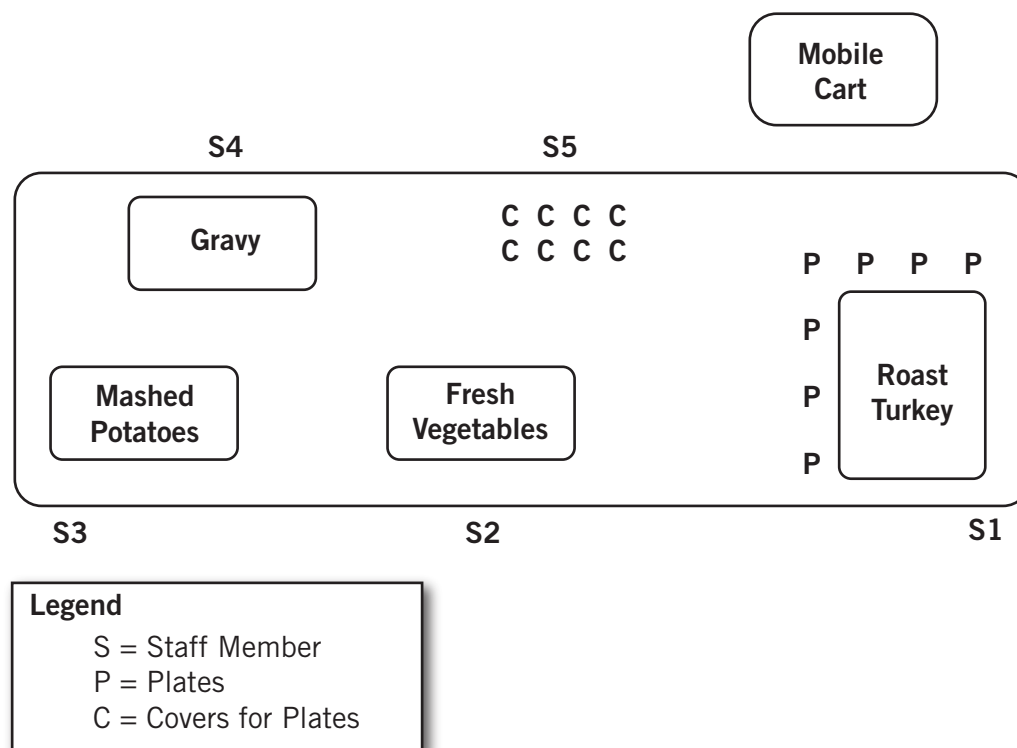
- Some international clients may present a small gift to the banquet or catering manager, who should be prepared to give a modest gift in return.
- Business banquets are popular in Chinese culture; they end promptly after the host rises and gives a toast.
- A Chinese guest named "Liang Cheng-wu" should be addressed as "Mr. Liang;" "Cheng-wu" is a compound of the man's first and middle names and it would be socially incorrect to use it.
- Children from Asian countries such as Thailand and India should never be patted on the head because the head is considered sacred in those cultures.



## Preparing, Plating, and Storing Food

The input of the chef and other food production staff members should be used to develop menus for banquets and catered events. Some banquet and catering operations that handle events with large numbers of guests use an automated assembly line to portion meals. More commonly, however, operations use a manual plating process. The image below shows one arrangement of people, equipment, and supplies that can be used to plate and set up one kind of meal. As illustrated, one person carves and places slices of roast turkey on plates, then passes the plates along the table to a second staff member, who portions the fresh vegetables. A third staff member portions the mashed potatoes and slides the plates across the table to a fourth staff member, who places gravy on the meat. A fifth staff member cleans the plates of any spills, covers the plates, and loads them onto a mobile cart. Using this system, five staff members can plate food for 300 people in approximately 45 minutes.

Possible Setup for Plating



In banquet and catering service, time and temperature control for food is critical. It is virtually impossible to prepare hundreds of individual plates as service progresses. Therefore, foods are usually prepared for large banquets or catered events and then stored hot or cold in holding cabinets. Food must be kept out of the temperature danger zone (TDZ). Because the TDZ may be defined differently in various areas of the country, managers should check with local and state health authorities to make sure they are in compliance with safety codes.

## Section

## 10.4

# Delivering Service

**B**ecause of all the planning and other preparatory work that goes into every banquet or catered event, you might think that a banquet or catering manager would only need to supervise staff from a distance during the event itself. In reality, last-minute issues and challenges often occupy the manager throughout an event. Challenges might include staff members calling in sick, extra guests, malfunctioning equipment, medical emergencies, inebriated guests, power failures, or entertainers who are late or fail to show up. The manager should either be present at the event or easy to reach, both by staff members and the client. Wise managers have contingency plans in place for the most common challenges.

### Beverage Service

Managers must carefully plan procedures for providing beverage service to guests at banquets and catered events. Just as bars and lounges must do, banquets and catering operations must observe liquor laws, such as age limits and legal hours for beverage service. In some places, laws may require clients to obtain permits to serve alcoholic beverages to private groups in function rooms. Managers or salespeople are responsible for notifying clients about these requirements. The banquet and catering operation is also responsible for preventing underage drinking in its function rooms; the manager cannot delegate this responsibility to clients.



Many operations use one or a combination of the following beverage plans to provide beverage service at banquets or catered events:

**Cash bar:** Guests pay cash to the bartender or purchase tickets from a cashier to pay for drinks prepared by the bartender. The banquet/catering manager or salesperson generally specifies the drink prices in the contract; the prices can be the same or different from normal selling prices.

**Host bar (charge by the drink):** Charges the host by the drink using a system to keep track of the number of each type of drink served. Guests do not pay anything except tips. Managers will frequently reduce the prices of the drinks from normal prices.

**Host bar (charge by the bottle):** This plan involves charging for beverages consumed on the basis of bottles used or opened. An agreed-upon price for each bottle is assessed to the host.

**Host bar (charge by the hour):** This pricing plan charges hosts a fixed beverage fee per person per hour. It involves estimating the number of drinks guests will consume each hour and multiplying the number of drinks per person by an established drink charge to arrive at the hourly drink charge per person.

**Wine service:** Staff members circulate with bottles of several wines (red and white, dry and semi-dry) so that they can offer guests a choice. Alternately, operations may set up a portable bar so that bartenders can prepare the glasses to hand off to the servers.

## Protocol for Special Banquets and Catered Events

Every banquet or catered event is special to the guests who attend it, and banquet and catering staff members must always be courteous and exercise common sense to make the guests' experiences as enjoyable as possible. However, there are some special banquets and catered events in which staff members must also understand **protocol**—the formal rules of etiquette used for ceremonies of state, military functions, and other special events.

There are rules that dictate the proper way to do things when very special guests are served. Managers and service personnel who will come in direct contact with special guests must understand and be able to practice protocol. The following examples illustrate the types of issues that can come up.

## TERMS YOU SHOULD KNOW

**Protocol**—the formal rules of etiquette used for ceremonies of state, military functions, and other special events.

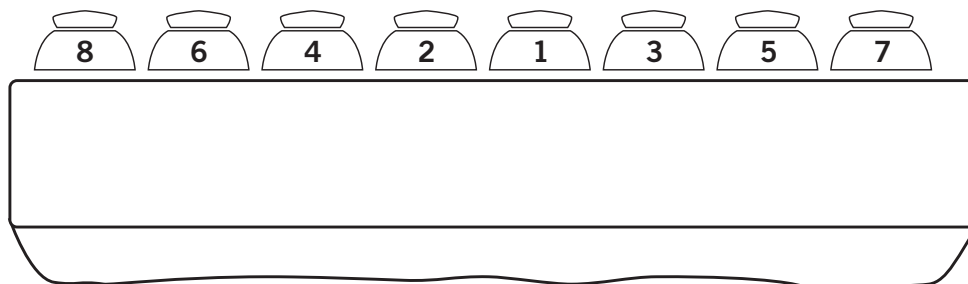
## Green Practices



Green practices in the hospitality and tourism industry have also affected banquet and catered events service. Guest preferences have changed to reflect this greener approach. For example, many guests today are opting for healthier catered meals, including menus that feature local or organic foods. Banquet and catering operations are using sustainable supplies, replacing bottled water with water pitchers to reduce waste, and donating leftover food to charitable organizations.

At formal events, the seat of honor at the head table is to the right of the host. The second seat of honor is to the left of the host. If another seat of honor is required, it is the second seat on the right of the host. The rest of the seats at the head table should be allocated according to the rank or prominence of the guests. These guests should be assigned seats by alternating from the right to the left of the host out from the center of the head table.

### Protocol for Seating Guests at the Head Table



Legend	
Seat 1	= Host of Function
Seat 2	= Guest of Honor
Seat 3	= Next Highest Ranking Person
Seats 4-7	= Next in Rank
Seat 8	= Person with Least Prominence

Flag display is also important in protocol. In the United States, for example, at a cocktail party, a standing gathering, or an event with theater seating for which flags must be positioned before the guests arrive, the U.S. flag is placed on the left side of the front of the room, as viewed from the dining area. If multiple flags are displayed, the U.S. flag takes the center (highest) position. The second most important flag goes immediately to the left of the U.S. flag, from the audience’s perspective, the third most important flag goes immediately to the right of the U.S. flag, and so on.

When flags are used behind a podium, the national colors are placed on the physical right of the speaker as he or she addresses the audience. When displayed behind the speaker’s platform without a pole, the flag must be flat against its display surface and must have its longest dimension parallel to the floor, directly behind and slightly above the podium. Staff members should never use the flag of any country as a table cover, drape, or any other type of decoration. To decorate with bunting that has the national colors of the United States (red, white, and blue), staff members should place the color blue uppermost, then white, and finally red in the lowest place.



# After Service

After the completion of food and beverage service at an event, the manager in charge must perform several after-service tasks. One such task is supervising staff members to ensure that they complete their breakdown and clean-up duties properly. Managers must evaluate how well the operation handled the event. The experience gained from each event can help with the planning of other events. Guest comments must also be sought to provide guest input into continuous quality improvement.

## Checklist for Post-Event Duties

<b>Banquet/Catered Event Staff</b>
<input type="checkbox"/> Clear all tables of china, glass, and flatware.
<input type="checkbox"/> Remove all linens, flowers, and decorations.
<input type="checkbox"/> Straighten legs on all tables.
<input type="checkbox"/> Rearrange all chairs around tables neatly.
<input type="checkbox"/> Store salt and pepper shakers, sugar bowls, water pitchers, and other tabletop items.
<input type="checkbox"/> Clear all remaining carts and lock them.
<input type="checkbox"/> Remove candles and any melted wax from candelabras and return to storage.
<input type="checkbox"/> Check out with supervisor on duty.
<b>Banquet/Catered Event Supervisor</b>
<input type="checkbox"/> Supervise the banquet/catered event staff.
<input type="checkbox"/> Turn off public address system.
<input type="checkbox"/> Collect microphones and cords and return to proper storage area(s).
<input type="checkbox"/> Collect projectors and other audiovisual equipment and return to storage.
<input type="checkbox"/> Search area for valuable items left behind.
<input type="checkbox"/> Check cloakroom and restroom areas.
<input type="checkbox"/> Secure any items found and turn in to the Lost and Found no later than the following day.
<input type="checkbox"/> Inspect for fire hazards.
<input type="checkbox"/> Turn off lights.
<input type="checkbox"/> Lock all doors. (If band is moving out, remain until the move is completed.)
<input type="checkbox"/> Leave written information regarding any maintenance problems or items helpful to the supervisor who will open the room the next day.
<input type="checkbox"/> Leave written information on the manager's desk regarding any guest complaints or serious problems among staff members.
<input type="checkbox"/> Lock, secure, and turn off lights and air conditioning units in all other function rooms.



## Controls

Managers must establish systems of control for the food and beverages served in banquets and catered events.

### Food Controls

Payments may or may not be collected from clients at the time of the banquet or catered event; the contract for each event specifies the payment terms that the operation and the client agreed upon. However, when the banquet actually occurs, the operation must count the number of guests served to determine if payment is due for guests served in excess of the original estimate. The responsibility for determining the number of guests served rests with the manager in charge of the event. Performing more than one count is a good way to ensure accuracy. It is often a good idea to involve the client in the process. Managers try to avoid disagreements over counts, and when the client monitors or is otherwise involved in determining the count, he or she is less likely to dispute it later.

### Beverage Controls

Managers can simplify the control procedures for beverages since fewer kinds of alcoholic beverages are generally available at banquets or catered events than there are in dining rooms or restaurants. For example, if only two types of wine are available, management can easily reconcile the amount of alcohol sold with the amount of income collected.

The amount of alcoholic beverages issued to a portable bar can be recorded on a form. Managers should remember to count partial bottles as whole bottles if the payment plan is “charge by the bottle.” By conducting a beginning and an ending inventory, the amount of each product actually used can be determined. In a “by the drink” payment plan, the amount of income that the servers should have generated from a particular product can be determined by converting the amount of alcohol used into standard portion sizes and then converting that into the number of drinks sold.



## Guest Comments

After major functions, the client may meet with the operation's managers to give feedback and to settle accounts. After small functions, the review process may be more modest: the manager in charge may ask the client to fill out an evaluation form. A telephone call to the client a day or two after the event provides the manager with an opportunity to thank the client and ask for additional feedback. This reinforces for the client the operation's commitment to guest service. It also helps communicate to clients that their future business is desired.



## Using Feedback in Planning

Planning is a critical activity for banquets and catered events, and feedback about past events can help managers plan future events. Regardless of whether an operation holds a review meeting with the client after an event, managers should hold such a meeting with all staff members who were involved in providing service during the event. These meetings are particularly helpful when mistakes occurred. Such mistakes may happen again if managers do not take the time to review them and discuss possible solutions. Managers and staff should relay to each other any comments from guests or the client. This exchange should lead to action plans to correct problems that were mentioned by guests. Continuous quality improvement is the key to the development of a profitable and guest-pleasing banquet and catering operation.

Guest Feedback	Action Plan
Food was cold.	Check temperature of holding tables.
Long wait to be served.	Increase staffing ratio (fewer guests per server).
Cultural customs not observed.	Hold cultural sensitivity training for banquet staff.

# Section

# 12.2

## Financial Statements

### TERMS YOU SHOULD KNOW

**Income Statement**—provides important information regarding the results of operations for a stated period of time.

**Balance Sheet**—reports the financial position of an operation on a specific date by showing its assets, liabilities, and equity.

In today's fast-paced world of business, hospitality and tourism managers need to know as much as possible about the financial aspects of their operations. Knowledge of accounting principles and basic financial statements, such as **income statements** and **balance sheets**, helps managers gauge the soundness of their accountants' analysis and advice.

### Income Statement

An operation's income statement provides important information regarding the results of operations for a stated period of time, usually one month. The income statement can have many names. One term that is often used is profit and loss statement (P&L statement) because the statement shows whether the property achieved a profit or loss for a specified time period.

Information reported on income statements is developed through a bookkeeping process. As transactions occur, bookkeeping entries are made in the appropriate accounts. At the end of the month, trial balances and various adjustments are made to ensure that account balances accurately reflect the month's activity. Since the income statement reveals operating results, it is an important measure of the effectiveness of management. An income statement generally shows revenue, cost of sales, gross profit, and expenses.

A critical part of a manager's job is controlling expenses, which can be done by comparing the budget and the income statement to see if actual operating costs exceeded the budget. For example, a restaurant manager may want to compare actual food costs to budgeted costs. The technical term for "food cost" is "cost of sales": the cost of the food used to generate the food revenue produced during the accounting period.

$$\{ \text{Cost of Sales} = \text{Beginning Inventory} + \text{Purchases} - \text{Ending Inventory} \}$$

The food cost percentage is calculated by dividing the cost of sales by the food revenue and multiplying by 100:

$$\left\{ \frac{\text{Food Cost of Sales}}{\text{Food Revenue}} \times 100 = \text{Food Cost Percentage} \right\}$$



## Sample Income Statement—Restaurant

BRANDYWINE RESTAURANT  
INCOME STATEMENT  
MONTH ENDING JANUARY 31, 20XX

Sales	Amount (\$)	Percent
Food	533,250	71.9
Beverages	208,500	28.1
Total Sales	741,750	100.0
Cost of Sales		
Food	217,033	40.7
Beverages	58,172	27.9
Total Cost of Sales	275,205	37.1
Gross Profit		
Food	316,217	59.3
Beverages	150,328	72.1
Total Gross Profit	466,545	62.9
Other Revenue	8,250	1.1
Total Revenue	474,795	64.0
Controllable Expenses		
Salaries and Wages	203,981	27.5
Employee Benefits	35,604	4.8
Direct Operating Expenses	48,214	6.5
Music and Entertainment	6,676	0.9
Marketing	14,093	1.9
Utility Service	18,544	2.5
General and Administrative Expenses	40,055	5.4
Repairs and Maintenance	12,610	1.7
Total Controllable Expenses	379,777	51.2
Profit Before Occupation Costs	95,018	12.8
Occupation Costs		
Rent, Property Taxes, and Insurance	35,604	4.8
Interest	6,676	0.9
Depreciation	17,060	2.3
Other Additions and Deductions	(2,967)	(0.4)
	56,373	7.6
Net Income Before Income Tax	38,645	5.2



## Balance Sheet

A balance sheet reports the financial position of an operation on a specific date by showing its assets, liabilities, and equity.

**Assets:** anything a business owns that has commercial or exchange value, such as cash, land, buildings, furniture, equipment, and supplies.

**Liabilities:** claims by others, such as creditors, to property assets.

**Current liabilities:** obligations that will require an outlay of cash within 12 months of the balance sheet date.

**Noncurrent liabilities:** long-term debt.

**Equity:** claims by the owner to assets.

On every balance sheet, the total assets must balance with the total of the liabilities and equity sections:

$$\{ \text{Assets} = \text{Liabilities} + \text{Equity} \}$$

**Comparative Balance Sheets**  
TOMAS HOTEL 7 RESORT

	December 31		Change from 20X1 to 20X2	
	20X2	20X1	Amount (\$)	Percent
<b>ASSETS</b>				
Current Assets:				
Cash	\$104,625	\$85,600	\$19,025	22.2%
Marketable Securities	784,687	155,465	629,222	404.7
Accounts Receivable (net)	1,615,488	1,336,750	278,738	29.9
Inventories	98,350	92,540	5,810	6.3
Other	12,475	11,300	1,175	10.4
Total	2,615,625	1,681,655	933,970	55.5
Property and Equipment				
Land	905,700	905,700	0	0
Buildings	5,434,200	5,434,200	0	0
Furnishings and Equipment	2,617,125	2,650,500	(33,375)	(1.3)
Less: Accumulated Depreciation	1,221,490	749,915	471,575	62.9
Total	7,735,535	8,240,485	(504,950)	(6.1)
Other Assets	58,350	65,360	(7,010)	(10.7)
Total Assets	10,409,510	9,987,500	422,010	4.2%
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$1,145,000	\$838,000	\$307,000	36.6%
Current Maturities of Long-Term Debt	275,000	275,000	0	0
Income Taxes Payable	273,750	356,000	(82,250)	(23.1)
Total	1,693,750	1,469,000	224,750	15.3
Long-Term Debt				
Notes Payable	50,000	0	50,000	N.M.
Mortgage Payable	1,500,000	1,775,000	(275,000)	(15.5)
Less: Current Maturities	275,000	275,000	0	0
Total	1,275,000	1,500,000	(225,000)	(15.0)
Total Liabilities	2,968,750	2,969,000	(250)	0
<b>OWNERS' EQUITY</b>				
Common Stock	1,750,000	1,750,000	0	0
Additional Paid-In Capital	250,000	250,000	0	0
Retained Earnings	5,440,760	5,018,500	422,260	8.4
Total	7,440,760	7,018,500	422,260	6.0
Total Liabilities and Owners' Equity	\$10,409,510	\$9,987,500	\$422,010	4.2%

N.M. = not meaningful

## Section

## 12.5

# Managing Labor Costs

The hospitality and tourism industry is labor intensive. It takes a lot of people, not machines or computers, to produce top-quality guest service. Hospitality and tourism companies typically spend 30 percent or more of their revenue to meet payroll costs. This is a high percentage considering many hospitality and tourism positions are minimum wage or entry level. Controlling labor costs can be achieved through employee training and careful scheduling, a combination that produces higher productivity and better service. No hospitality and tourism operation can afford unproductive employees and wasted labor hours.

Every operation must provide good, if not superior, service within its own economic limitations. Any business could schedule more than enough employees to give good service all the time, but that would not be profitable. Overstaffing can produce unnecessary labor costs, which must come out of the operation's profits. But understaffing can be just as disastrous. While having too few employees to serve guests might decrease labor costs in the short term, over time it will likely increase turnover and decrease profits. The stress of constantly working short-handed will cause employees to quit. In addition, if guest expectations are not met, revenues will decrease due to guest dissatisfaction and lost business.

Using the right number of employees at the right time helps ensure that guests remain satisfied and employees work at a pace that is neither too fast (quality standards are not met) nor too slow (productivity standards are not met). However, it's important to note that if the volume of business increases by 50 percent, a manager may not have to increase the staff by 50 percent to meet production requirements. This is known as economy of scale—the amount of time required to complete a task does not increase at the same rate as the increase in business volume. For example, the time required to set up the serving station or to ice the salad bar will be the same no matter how many guests arrive to dine at a restaurant.



## Productivity Standards

The first step in managing labor costs is developing productivity standards. Productivity standards define the acceptable amount of work that must be done within a specific time frame according to a specific performance standard. Performance standards explain the quality of the work that must be done. For example, a productivity standard for housekeepers establishes the time it should take one trained housekeeper to clean one guestroom according to the department's performance standards. The following example presents a sample worksheet that a housekeeping manager can use to determine the productivity standard for full-time housekeepers.



**Step 1—Determine how long it should take, on average, to clean one guestroom according to the department's performance standards.**

Approximately 30 minutes

**Step 2—Determine the total shift time in minutes.**

8.5 hours × 60 minutes = 510 minutes

**Step 3—Determine the time available for guestroom cleaning.**

Total shift time.....	510 minutes
Minus:	
Beginning-of-shift duties .....	15 minutes
Morning break (paid) .....	15 minutes
Lunch break (unpaid) .....	30 minutes
Afternoon break (paid).....	15 minutes
End-of-shift duties .....	15 minutes
Time available for guestroom cleaning .....	<u>420 minutes</u>

**Step 4—Determine the productivity standard by dividing the result of Step 3 by the result of Step 1.**

$\frac{420 \text{ minutes}}{30 \text{ minutes}} = 14$  guestrooms per 8-hour (paid time) shift

## Staffing

Once the manager has determined the productivity standard, he or she can use it to develop a staffing guide. Using the forecast of expected business, the manager can properly schedule the right number of employees to work each day. If a hotel has 250 guestrooms, it will take a total of 125 labor hours to clean them at 30 minutes (.5 hours) per room.

$$250 \text{ (total number of rooms)} \times 0.5 \text{ (number of hours per room)} = 125 \text{ (total labor hours)}$$

If the hotel is forecasted to be at 90 percent occupancy, that means there will be 225 rooms to clean the next day.

$$250 \text{ (total number of rooms)} \times 0.9 \text{ (occupancy percentage)} = 225 \text{ (rooms to clean)}$$

Therefore, it will take about 113 labor hours to clean 225 rooms.

$$225 \text{ (rooms to clean)} \times 0.5 \text{ (number of hours per room)} = 112.5 \text{ (rounded to 113 hours)}$$

### Sample Staffing Guide for Housekeepers

Productivity Standard = 30 minutes/room											
Occupancy %	100%	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%
Rooms Occupied	250	238	225	213	200	188	175	163	150	138	125
Housekeepers' Labor Hours (rooms only)	125	119	113	107	100	94	88	87	75	69	63

The staffing guide helps the manager determine how many employees to schedule for any given day. For example, when the hotel is at 90 percent occupancy, dividing 225 guestrooms by the 14 per shift standard indicates that it will take 16 full-time housekeepers to clean those rooms.

$$225 \text{ (rooms to clean)} \div 14 \text{ (rooms per 8-hour shift)} = 16.07 \text{ (rounded to 16 housekeepers)}$$

The actual number of housekeepers scheduled will depend on how many of the employees are full-time and how many are part-time. The manager might schedule 12 full-time employees who clean 14 guestrooms each in an 8-hour shift and 8 part-time employees who clean about 7 rooms each in 4-hour shifts.

Using the staffing guide, the manager can determine the labor costs for each day by multiplying the total number of hours worked by the hourly rate. So, if housekeepers earn \$13 per hour and work a total of 113 hours, their total wages for that day will equal \$1,469. This information can be used in the budgeting process to determine the operational costs for the housekeeping department.



## Work Schedules

Whenever possible, work schedules should be developed to meet the day-to-day, and even hour-by-hour, demands of business volume. For example, if a large convention group is expected to check in between 2 p.m. and 4 p.m., additional front desk agents might be needed during those hours. If a restaurant's busiest time is during happy hour, more servers and bartenders might be scheduled during the rush time than are scheduled for other hours of the evening shift. Alternative scheduling techniques can help managers meet business demands, as well as the needs of employees by increasing morale and job satisfaction. Some examples of alternative scheduling include:

**Staggered work shifts.** By staggering and overlapping work shifts, the manager can ensure that the greatest number of employees is working during peak business hours.

**Compressed work weeks.** Full-time employees can work a 40-hour week in four 10-hour days.

**Split shifts.** A split shift schedules an employee to work during two separate time periods on the same day, such as during breakfast 8-10 a.m. and during lunch 12-3 p.m.

**Part-time employees.** Employing a large number of part-time workers can give the manager greater scheduling flexibility. Part-time employees can easily be scheduled to match peak business hours. Also, employing part-time workers can reduce labor costs because the costs of benefits and overtime pay generally decrease.

**Temporary or seasonal employees.** Temporary employees typically are not seeking full-time employment because of personal circumstances, such as being a student, having young children at home, or having another full-time job. They can fill in at a large banquet, during employee illnesses, or in other similar circumstances.

Managers may find the following tips helpful when developing and distributing work schedules:

- A schedule should cover a full workweek.
- Workweeks are often scheduled from Saturday to Friday because weekend leisure business is difficult to predict beyond a three-day forecast.
- The work schedule should be approved by appropriate managers before it is posted.
- Schedules should be posted in the same location and at the same time each week, at least three days before the beginning of the time period for which they apply.
- Days off and vacation time should be planned as far in advance as possible.
- The work schedule for the current week should be revised based on updated forecasts if necessary. Any changes should be communicated to affected employees.

### Green Practices



Compressed work weeks and carpooling can benefit the environment by removing congestion from the roads and helping keep the air clean. The average car with a single driver emits 1.10 lbs of carbon dioxide per mile, but a carpool with three people decreases that number by two-thirds. Whenever possible, managers should encourage employees to carpool or to take public transportation to work. Companies can even offer incentives for those who choose to carpool, such as preferred parking, rideshare matches, or financial rewards. Managers should take the needs of carpoolers into account when scheduling, because a lack of matching work hours among employees can be a major barrier to carpooling.

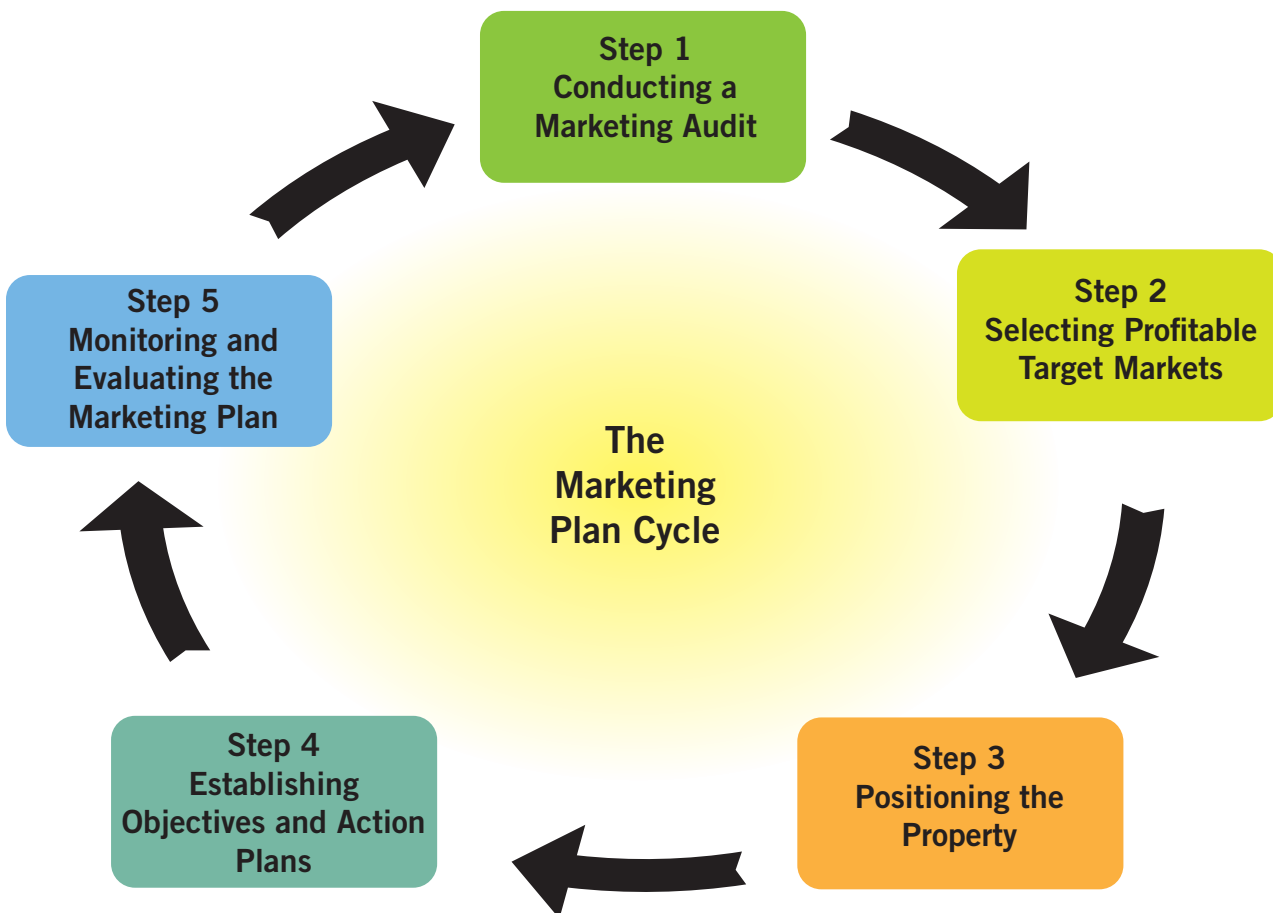




# Steps of a Marketing Plan

Once the proper marketing mix has been determined, the marketing director must create a marketing plan to communicate throughout the organization. A good marketing plan forces managers to think ahead and make better use of the operation's resources. The plan creates an awareness of any problems and obstacles the marketing team might face and clearly defines the responsibilities of various departments and individuals to make sure efforts are not duplicated.

The marketing plan may take many forms but should include these five key steps:



## TERMS YOU SHOULD KNOW

**Marketing Audit**—gathering, recording, and analyzing information about a company, its competition, and the marketplace as the first step in creating a marketing plan.

### Step 1: Conducting a Marketing Audit

The **marketing audit** is the research step in the planning process. It involves gathering, recording, and analyzing information about your company, the competition, and the marketplace to assist in decision-making. There are several ways of gathering this information. The easiest place to start is by looking at your own operation. Internal information gathering can include looking at guest histories and sales data, which can quickly be obtained from the guest registration system and an analysis of point-of-sale data. Information can also be collected from guest comment cards and from the company's employees and managers. Another way to collect data is from external sources. Consumer surveys can provide information about shopping behavior, attitudes, and responses to advertising. Marketing information can also be obtained from trade associations and journals, government sources, and travel and visitors bureaus.

A complete marketing audit consists of three parts:

- **Property Analysis:** an unbiased self-appraisal used to assess the strengths and weaknesses of your business. Suggestions for improving weaknesses should be included.
- **Competition Analysis:** looks at profitable guest groups the competition is targeting; a competitive advantage your company has that the competition does not; and weaknesses in the competition's marketing strategies on which your company can capitalize.
- **Marketplace Analysis:** researches the company's positions in the marketplace and environmental issues that can affect business to help reveal additional opportunities to promote the company.

### Step 2: Selecting Profitable Target Markets

A key step in creating the marketing plan is analyzing the target market and identifying the most profitable market segments. Two important factors to consider when selecting a target market segment are the attractiveness of the segment and how well it fits with the company's objectives, resources, and capabilities. For example, the event and meeting segment can be very profitable, but it may not make sense for a small B&B to add meeting room space to go after this market segment because it does not fit with the property's overall goals.

The following are some aspects that should be considered when evaluating the attractiveness of a market segment:

- Size of the segment (number of guests)
- Growth rate of the segment
- Competition in the segment; brand loyalty of existing customers in the segment
- Sales potential; return on investment

Market segments should also be evaluated in terms of how well they fit with the company:

- Whether the company can offer superior value to guests in this segment
- The impact of serving the segment on the company's image
- Whether the company has the resources or wants to make the investment required to serve the segment

### **Step 3: Positioning the Property**

Every organization projects a certain image in the minds of the public. This perception is known as the market position. The following questions can help the marketing team develop a positioning strategy:

- Who are we? What do we stand for?
- How does our company differ from the competition? Are there areas in which we can set ourselves apart?
- What areas of the company are not producing the desired revenue or response? How can we expand opportunities to attract business?
- Which market segments are most beneficial to us? What are their needs and wants?

### **Step 4: Establishing Objectives and Action Plans**

Marketing objectives should be set for each market segment and revenue center. To be effective, the objectives should be realistic, specific, and measurable. Once the objectives are set, action plans can be created. Action plans can be as simple or as complicated as necessary, but they need to be very specific, incorporating:

- Description of the types of business and the market segments to be solicited
- Definition of the target customers
- Rates/packages/promotions/special plans
- Objectives (increase meeting room business by 20 percent over weekend periods May-August)
- Action steps and budgets

### **Step 5: Monitoring and Evaluating the Marketing Plan**

As with other business objectives, it is important to periodically evaluate how well the plan is working and make changes if necessary. The more carefully the marketing effort is measured, the easier it will be to plan future marketing activities.

# Section

# 13.4

## Channels of Distribution

### TERMS YOU SHOULD KNOW

**Channel of Distribution**—an entity through which the consumer may purchase all or parts of a travel product or service.

**Travel Intermediary**—an entity that makes travel arrangements for others.

Since the hospitality and tourism industry serves so many consumer segments, it has established **channels of distribution** through which it markets its products and services. A channel of distribution is an entity through which the consumer may purchase all or parts of a travel product or service. Advances in technology have created a dynamic environment within the distribution channels, and hospitality marketing managers must know how to use these systems to the organization's advantage.

Although consumers are able to purchase travel products or services directly, many choose to use the services of **travel intermediaries**, such as travel agents, tour operators, and travel websites. A captive intermediary is someone who does not receive a commission for handling travel arrangements for others. Examples include administrative assistants and office managers. A commercial intermediary, on the other hand, works for a commission for handling individual or group travel arrangements.

In addition to travel intermediaries, Global Distribution Systems (GDSs), ground operators, and air carriers are popular channels of distribution used in the hospitality industry. GDSs are commonly used by travel agents,

business travelers, and corporate travel departments. These central reservation systems were initially developed by the airline industry but now also offer hotel, car rental, and other travel reservations and services. Ground operators are those businesses that provide ground services related to a tour at destinations, such as accommodations, meals, sightseeing, or local transportation. Travel bookings are the largest component of online commerce today, according to a study commissioned by the International Air Transport Association. Airline ticket sales account for the largest portion of travel bookings with more than \$85 billion annually.



#### Travel Agents

- Retail travel agents
- Travel management companies
- Tour operators
- Charter travel companies

#### Travel Websites

- TripAdvisor
- Urbanspoon
- Lonely Planet
- Virtual Tourist

#### Metasearch Engines/ Fare Aggregators

- Kayak
- Travelzoo
- Cheapflights
- Skyscanner

#### OTAs

- Expedia
- Priceline
- Orbitz
- Travelocity



# Industry Trends and Marketing

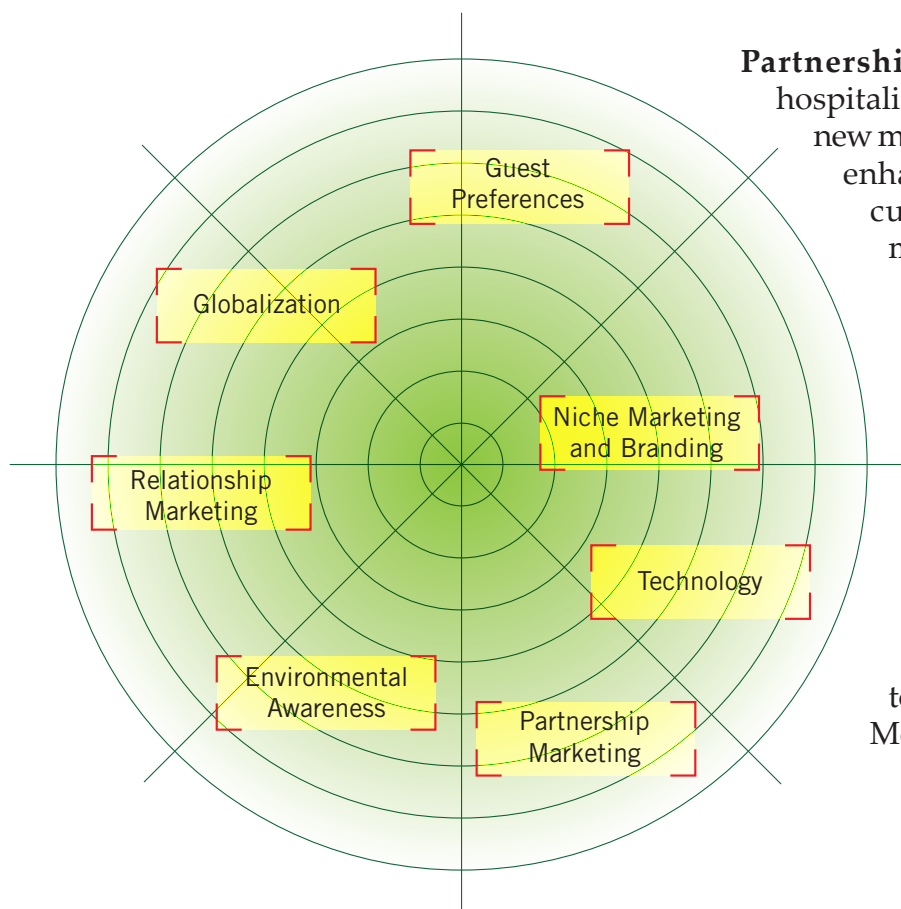
## TERMS YOU SHOULD KNOW

**Environmental Scanning**—the study of marketing trends.

Successful marketing management requires keeping current on industry trends and acting on them before your competition does. The study of trends is referred to as **environmental scanning** in marketing circles and is an essential part of hospitality sales and marketing. Major trends affecting marketing efforts in the hospitality and tourism industry include:

**Globalization:** U.S. restaurant and hotel chains continue to establish an international presence to serve U.S. travelers and to meet the demand for U.S. products abroad. At the same time, international brands are building outlets in the United States. McDonald's now has franchises in more than 119 countries, and other chains, including Burger King, Wendy's, Pizza Hut, KFC, and T.G.I. Friday's, are following this trend. The global marketplace offers both opportunities and challenges. Marketing efforts have to be sensitive to cultural differences.

**Partnership Marketing:** This trend allows hospitality and tourism companies to enter new markets, expand products and services, enhance their image, and better serve customers, all without increasing marketing budgets. It involves forming alliances with other companies who are not direct competitors but serve similar markets. The partnerships can be between different hospitality companies, such as Pizza Hut Express outlets in Holiday Inns or Starbucks in hotel lobbies. They can also be between hospitality products and consumer goods, such as Bath and Body Works toiletries in Renaissance Hotels or Disney toys and books in McDonald's Happy Meals.



**Niche Marketing and Branding:** This strategy is often used by hotels and restaurants to meet the needs of various segments and to create customer loyalty. Aside from the three broad categories of luxury, midscale, and economy, hotels and restaurants are creating a number of brand names and images within these segments. Ramada Worldwide, for example, offers Ramada Plaza Hotels (luxury), Ramada Inns (mid-priced), and Ramada Limited (economy) properties. Wolfgang Puck, a fine dining restaurant, expanded its brand with Wolfgang Puck Express, a casual dining venture. P.F. Chang's China Bistro also owns a fast-casual restaurant called Pei Wei.

**Technology:** New technology has affected the way hospitality companies approach sales and marketing efforts. Yield and revenue management and other research software, computerized forms and reports, and time management systems have helped sales and marketing staff to maximize revenue. Companies are using technology to build loyalty and sales. For example, promoting a property's technology upgrades may bring in more business. Disney has introduced an electronic wristband that allows guests to pay for merchandise and dining, reserve character meetings, secure a place to watch the parades, access their resort rooms, and much more. Access to such detailed guest data will help Disney refine its offerings and customize its marketing messages.

**Environmental Awareness:** Hospitality and tourism operations all over the United States and the world are going green and letting their guests know about it. In addition, ecotourism has created an opportunity for some companies to target new market segments.

**Guest Preferences:** Hospitality and tourism operations must keep abreast of guests' changing preferences and the latest demographic trends. Marketing and sales efforts must cater to guests who are tech-savvy, time-conscious, and health-conscious. They are used to self-service and prefer to do things themselves to save time. Instead of taking extended family vacations, they are increasingly opting for multiple shorter vacations throughout the year. When they do take a longer trip, they usually choose adventure or fantasy vacations.

**Relationship Marketing:** Because of the wide range of hospitality choices available, it is essential for hospitality companies to build a repeat customer base. Marketing is shifting its focus away from maximizing profits on individual transactions toward making sure that every guest is a repeat guest. This means taking the time to develop relationships with guests and making sure their expectations are met and their needs anticipated for their next visit. Marketing staff should encourage collection of internal data about guests to help them refine their target markets and marketing strategies.

## Section

## 14.4

# Selling to Global Audiences

Specialty sales are a major source of revenue for the hospitality and tourism industry, and one of the most profitable specialty segments is the international travel market. In fact, travel and tourism is one of the United States' top exports. When foreign tourists come to the U.S. and buy services, it counts as exports because they are spending foreign money on something produced in the U.S.

### International Travelers

Most travelers to the U.S. fall into three categories: North American travelers, European travelers, and other international travelers (Asian, Australian, African, etc.). It is difficult to compile a general profile of the international traveler because visitors from different countries are interested in different attractions and have varying needs. But it is possible to define several patterns in this market:

**Point of origin:** While more than half of the international travelers currently visiting the United States come from Canada or Mexico, the number of North American travelers is declining. More and more travelers are coming from countries such as Japan, Brazil, Argentina, Korea, and China.

**Reasons for travel:** International travelers from Europe and Japan cite the lower costs of goods and services as an important factor in choosing travel to the U.S.

**Destinations:** International travelers often visit large cities, such as New York, San Francisco, and New Orleans, that offer cultural events and nightlife. Some opt for seeing natural wonders like the Grand Canyon or Niagara Falls, while others do adventure trips, such as whitewater rafting.

**Length of stay:** Europeans typically receive four to six weeks of vacation and average 20 nights for trips overseas. The Japanese stay an average of nine nights in the U.S. on leisure trips. International business travelers normally stay for a shorter length of time, but some choose to take vacation time at the conclusion of their business trips and extend their stay.





## Selling Effectively to a Global Market

Sales personnel in charge of selling to global audiences face a different set of challenges. The following tips can help salespeople make their international pitch more effective:

- **Do your research.** The more you know about the target country's lifestyle, slang, favorite foods, and cultural elements, the easier it will be to make your presentation a natural fit for the market.
- **Visit the place you are marketing to.** Nothing will help you sell to Brazilians like a trip to Brazil. The goal of the visit should be understanding the market and how to position your product.
- **Learn what is offensive.** Different cultures find different things offensive. Learn what images, expressions, styles of dress, or behaviors your clients might be offended by.
- **Learn the language.** Consider hiring salespeople who are fluent or have a basic understanding of the language or employing a translator to make it easier to communicate with prospective clients.
- **Find people to trust.** Take the time to network and build relationships with local professionals to help you break into the new market.
- **Partner with convention or visitors bureaus.** Salespeople specializing in the international market can assist in promoting your product by conducting sales missions to foreign countries, provide sales leads, conduct familiarization tours for qualified buyers, and offer advertising partnerships that target potential international guests. They usually also speak the local language.
- **Check out the competition.** See what their weaknesses are and what markets they are not serving.
- **Develop a master plan.** Planning in advance will help prevent overextending your resources.
- **Stay ahead of global trends.** Read industry publications to stay aware of the changing marketplace so you can adjust your sales techniques and presentations as necessary.

## Online Presence

Since online sales make up a majority of bookings, optimizing your organization's online presence is an effective way to reach out to an international audience. Reaching an international audience entails understanding a region's cultures, laws, and online behaviors.

Having the company website translated into other languages is going to make it easier for international travelers to get information about the services and amenities your property provides. When selling to a global audience, your company should be aware of regional regulations on products, advertising, and sales tactics. For example, in some countries, certain types of advertising are subject to approval by governing bodies. Various sales promotion tactics—such as contests, sweepstakes, and buy one, get one free offers—are usually regulated differently across borders.

Using Search Engine Optimization (SEO), you can customize your searches based on the target location. English-language search engines like Google, Yahoo, and Bing are not necessarily the ones your international guests use in their home countries. Do the research and choose a local search engine. Work with native speakers to figure out native keywords that would best be associated with the content of your website.

In addition to translating your website, include a currency conversion feature so that guests in other countries can convert purchase amounts into their own currency. Colors and symbols have different meanings for different cultures, and you should adapt your website design to your target audience. Lastly, you can adapt your social media presence for various languages by creating multiple Facebook and Twitter accounts for various regions or adding subtitles to YouTube videos.

# Selling to Special Segments

While business and leisure travelers still make up the majority of sales in the hospitality industry, many lodging properties are targeting specialized market segments to ensure consistent occupancy. Reunion groups (family, class, or military), juries, out-of-town wedding or funeral guests, truckers, train crews, sports teams, and movie crews are just a few examples of the small or special market segments that many properties are now targeting. A property's ability to appeal to these segments will vary depending on its products, services, and location. However, these segments can provide a major source of revenue for companies willing to spend the time and money to research them and to modify their products and services to meet the market's needs.



## Reunion Groups

### Needs

- Affordability
- Accessibility, including shuttle services
- Hospitality suite
- Recreational amenities and activities for all ages

### Sales Strategies

- Focus on value and professional expertise
- Advertise in specialty publications
- Contact national reunion organizations (National Association of Reunion Planners)

## Destination Weddings

### Needs

- Recreational activities (swimming, shopping, golf, spa)
- Facilities for rehearsal dinner, ceremony, reception, and post-wedding brunch
- Honeymoon suites

### Sales Strategies

- Participate in or stage a bridal fair
- Create unique package deals
- Invite couples for a personal tour



## Sports Teams

### Needs

- Location no more than 30 minutes from stadium or field
- Efficient registration
- Meeting rooms
- Food services able to meet special dietary needs

### Sales Strategies

- Solicit league offices of professional and independent teams
- Contact college or high school athletic offices/programs
- Offer special rates to teams and fans
- Attend annual “teams” trade show



## Truck Drivers and Train Crews

### Needs

- Low prices
- Ability to check in and out at odd hours
- Truck parking with electrical outlets

### Sales Strategies

- Create a trucker-specific frequent-stay program
- Drop off sales info at truck stops, weigh stations, and warehouses
- Contact the train line’s main office

## Movie Crews

### Needs

- Food and beverage services
- Block of guestrooms and office facilities
- Crew entertainment
- Special requests from stars

### Sales Strategies

- Contact the state’s movie commission
- Make personal contact with movie production offices
- Reach out to local destination marketing organizations



## Sequestered Juries

### Needs

- House all members on one floor
- Rooms must open to interior corridor
- Telephones, televisions, and radios must be removed from guestrooms
- No contact with hotel employees
- Newspaper reporters and television crews must be kept away

### Sales Strategies

- Contact local courthouse or attorney general

## Government Travelers

### Needs

- Staying within **per diem** allowances
- Location near government offices or military bases

### Sales Strategies

- Offer government rates based on per diem allowances for your city
- Direct sales
- Join government meeting organizations

## Construction Crews

### Needs

- Rooms during the week with four- to seven-night rates
- Free coffee and/or breakfast
- Early-morning wake-up calls
- Extended-stay properties

### Sales Strategies

- Visit construction sites and leave property information with project superintendent
- Advertise in trade publications

## TERMS YOU SHOULD KNOW

**Per Diem**—a dollar figure allocated to cover lodging, meals, transportation, and gratuities for government employees traveling on official business.

# OSHA: Following the Requirements

The federal government regulates work areas and businesses with respect to safety through OSHA. OSHA requirements are extensive and mandate safety regulations and practices for many industries, including hospitality. Regulations focus on the areas where employees work, materials used on the job, and other safety issues. OSHA standards are primarily designed to protect the employee—not the guest. In lodging properties, the housekeeping and facilities managers will have to deal with OSHA regulations most often. But almost every hospitality and tourism business, from spas to restaurants to cruise ships to theme parks, should be aware of OSHA requirements.

## Work Areas

OSHA standards cover such areas as hallways, storerooms, and service areas. These standards require that work areas be kept clean, neat, and sanitary. Hallways, passageways, and stairways should have railings. Any stairway with four or more steps must have at least one railing.

## Exits

OSHA standards require that exits be clearly marked and that they not be blocked. Exit doors should never be locked from the inside. The routes to exits should also be marked so that an escape path can be easily followed. All properties must have written emergency escape plans. The plans should specify where employees are to go in case of emergency and have procedures to account for all employees during and after the emergency. Plans should also establish rescue and medical duties for employees or local services.

The standards dictate the maximum occupancy level of individual rooms and the building, based on the number of exits, available fire protection, and building construction.

## Sanitation

OSHA specifies that all waste containers be leakproof and have a tight-fitting cover. Waste must be removed on a timely basis without creating a hazard to public health.

Bathrooms must be equipped with hot and cold water and soap. Hand towels, paper towels, or air dryers should be provided. The number of toilets is recommended based on the number of employees of each sex. If employees are required to shower, the employer must provide the same items as in the bathrooms, including individual towels. Properties should have one shower for every ten employees of the same sex.

Food and beverages must not be consumed in washrooms or storage areas that may contain hazardous chemicals. If an employer provides meals, the food must be wholesome and not spoiled. It must be prepared, served, and stored in a sanitary way to avoid contamination.

## Signs and Tags



Danger signs warn of immediate hazards, such as a chemical spill or dangerous equipment. Danger signs are red, black, and white.



Caution signs are used to warn about a potential hazard, such as a wet floor. Caution signs are yellow and black.



Safety instruction signs are used to give general safety instructions. For example, these signs may be used to instruct employees not to eat, drink, or smoke in a certain area. They are usually green and white or black and white.



Accident prevention tags are temporary means of letting employees know about hazards or defective equipment, such as when a vacuum cleaner is out of order. They should be red with white or grey letters.

## First Aid

First aid supplies should be stocked and readily available. Stations for flushing eyes or other body parts should be located near work areas. Employees who are injured should have access to an in-house doctor or nurse's station or should be sent to a medical facility nearby.

## OSHA Inspections

Managers should be aware that OSHA compliance officers have the authority to inspect a property. These inspections are often done without notice. Compliance officers may wish to inspect the property, equipment, and records. They want to see that the OSHA poster, which informs workers of their rights under OSHA, is prominently displayed. The inspection can also include safety committee records, environmental sampling, and private discussions with employees. A management representative should accompany the inspector. Failure to be in compliance with OSHA regulations can result in fines or the business being forced to close until the issues are resolved.





# Hotel Security: Access Control and Guestroom Security

**H**otel guests want to feel secure in their guestrooms, and they want to know that their belongings and personal assets are secure when they leave for the day. The main ways to accomplish this are through the use of surveillance equipment, safe deposit boxes, and access control.

Employees play a central role in watching for trouble and protecting guests and property from loss and unauthorized access. All employees should be trained to watch for suspicious persons or situations. They should understand how to operate surveillance equipment and how to use it most effectively to control access to a property. Effective access control develops procedures for responding to the information gained through surveillance equipment and observations of employees.

## Surveillance

Surveillance plays a major role in guest and property security. It can take different forms, including patrols or using equipment, such as **closed-circuit television (CCTV)**. CCTV uses video cameras to record what is going on in various areas of the property and sends the signal back to a central location of monitors where security personnel can monitor it. Enough personnel must be available to monitor and respond to situations that may develop.

In addition to CCTV monitoring, security personnel should patrol the premises. Patrols should follow a varied pattern, in terms of both timing and area, to avoid setting a consistent pattern that criminals can observe and work around. Employees from other departments can also help in the surveillance of the property. For example, front desk employees should be able to observe the lobby, the entrance, and the elevators. Housekeepers can alert security to anything suspicious in the guestrooms. Security officers and other hotel employees should be trained in what to look for. In general, hotel employees should be on the lookout for any unauthorized persons, potential drug dealers, or smugglers. Incidents should be reported to the appropriate authorities.

### TERMS YOU SHOULD KNOW

**Closed-Circuit Television (CCTV)**—the use of video cameras to transmit a signal to a specific place.



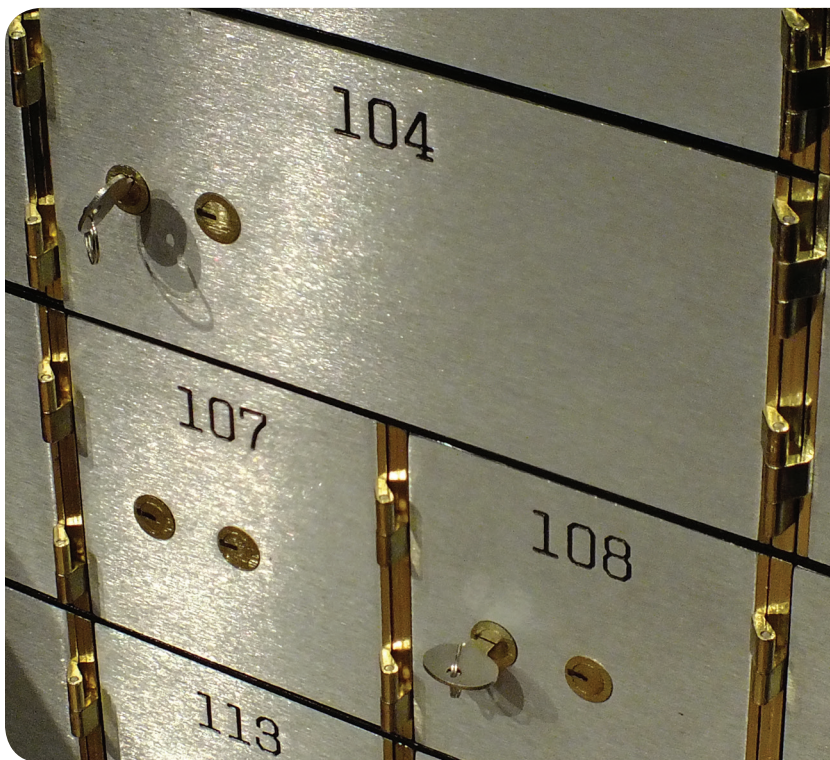
## Safe Deposit Boxes

By law, a property must notify guests if a safe deposit box is available on premises. Normally, these notices take the form of a posting in the guestrooms. Management is responsible for developing and monitoring safe deposit procedures for each property. All employees with safe deposit responsibilities should be trained in these procedures and be aware of the reasons for the various rules. Supervisors should stress the importance and seriousness of safe deposit responsibilities, ask for an immediate report of any unusual incidents, and require accurate, up-to-date records and complete compliance with procedures. Some general safe deposit box procedures to follow include:

- Safe deposit boxes should be located in an area to which there is limited access.
- Unauthorized persons, whether guests or employees, should not be allowed in the area.
- Two keys should be required to open any safe deposit box: the guest key and the control or guard key.
- Only people authorized to grant access to boxes should ever have the guard key.
- Only one guest key should be issued for each safe deposit box.
- If the guest key is lost, the box should be drilled open in the presence of a witness, the guest, and someone from the property.

## Access Control

Access control is the most vital of all safe deposit responsibilities. Management should establish access procedures and make sure that employees are following them for every access, regardless of how often it is or how well the employee knows the guest.



**1.** Require the guest to sign his or her name on a form requesting access.

**2.** Compare it to the signature on the agreement signed when the box was issued.

**3.** Accompany the guest to the safe deposit area.

**4.** Use the guest key and control key to open the box.

**5.** Give the box to the guest and give him or her some privacy.

**6.** Never handle or be alone with the guest's valuables.

**7.** When the guest is finished, re-lock the box and return the guest's key.

## In-Room Safe

In-room safes are another way for guests to protect their valuables while staying at a property. Such units can have key, keycard, digital keypad, or credit card reader opening systems. Postings in the guestrooms should be made to make it clear to the guests that safe deposit boxes or a safe is provided in the offices for the storage of guest valuables, and that management is not responsible for any valuables not placed there.



## Lost and Found

Clear procedures should be developed to deal with lost and found items. The way the items are treated will depend on state law. The responsibility for the lost and found items should be assigned to one department, such as the front desk or housekeeping. All found items should be turned over to the lost and found department and be entered in a log that lists where the item was found, its description, the date, and the name of the employee who found it. Lost and found personnel should bag, tag, and store the item. If the item is valuable (wallet, jewelry, money, credit cards), it can be placed in a safe deposit box. When the article is claimed, it should be recorded in the log. If it is mailed to the owner, the date it was mailed should be logged. All calls to the property regarding lost items should be routed to the department handling the items to avoid giving the wrong information to the caller.



## Section

## 16.3

# Employee Security Issues

There is a tendency in many properties to concentrate on security incidents involving guests. However, internal security problems, like theft by employees, can erode profits. The restaurant and lodging industries are particularly susceptible to internal theft since their materials can be easily exchanged for cash or used directly by the thief. High employee turnover and the large size of many properties limit their ability to effectively secure their operations against internal theft. The management team must involve the security staff in controlling internal theft on a department-by-department basis.

The following examples represent some potential internal theft opportunities and possible solutions.

Internal Thefts	Monitoring Strategies
Employees cheating on their time sheets	Department managers review time sheets; a time-keeping system that verifies employee identity
Employees who no longer work at the hotel remaining “on the books” and receiving pay	Verify that checks issued by the property are received by the individuals to whom they are addressed
Managers and supervisors using gardeners, painters, and maintenance personnel for personal services on company time	Make sure employees know that these services are not acceptable and how to report such incidents
Employees placing long-distance phone calls	When reviewing bills, look for 900 numbers (costly per-minute charges) or off-hour calls made from executive and administrative offices
Unauthorized employees taking meals	Spot-check of food facilities by security personnel at off-peak hours
Employees taking home property or guest assets	Designate a separate employee entrance that is monitored by security staff or surveillance equipment; restrict employee parking to an area away from the building

## The Human Resources Department

The human resources department faces security considerations even before an employee is hired. Since a property is responsible for the acts of its employees, care should be taken to hire only the best people. Potential new hires should be screened. The following types of screening may be considered:

- Criminal conviction check
- Background check through professional investigators
- Fingerprinting and submitting to local law enforcement
- “Honesty exams”
- Credit check (especially for employees handling cash)
- Department of Motor Vehicles check (for employees involved in valet parking or other vehicle operation)

Every application form should include a statement warning that any false information provided may result in immediate discharge. Orientation materials and the employee handbook should state that theft will also be considered grounds for dismissal.

HR should maintain records on any instances of employee discipline, including the reasons for the actions. It is also HR’s responsibility to perform **exit interviews**. The exit interview should be an informal session conducted on the employee’s last day of work. Departing employees sometimes have interesting things to say. They might offer suggestions about how to improve their department or provide information about illegal activities on the property.

## Violence and Drug Abuse

Unfortunately, there has been an increase of violence in the workplace in recent years. A serious effort must be made during the initial interview stage to screen out individuals with violent inclinations. In addition, there should be specific policies in place for dealing with violence. Management should be aware of risk factors in certain positions that might lead to violence, such as access to weapons or other dangerous items. They should never ignore an employee’s history of confrontations, threats, or violence.

Drug and alcohol abuse can lead to theft, violence, and other inappropriate behavior. Management should have specific policies to follow when it finds that an employee is using or dealing drugs on the premises. To help reduce the problems related to drugs and violence, some companies choose to offer employee assistance programs, which provide employees with help in dealing with drug and alcohol dependence or anger management. They can also provide stress management training.

### TERMS YOU SHOULD KNOW

**Exit Interview**—conducted on a departing employee’s last day of work for the purpose of obtaining feedback about the company.

