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Front-of-the-House Computer Systems: A User's Guide

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Abstract
In a previous issue, DL Alan J. Parker presented a case for the smart utilization of microcomputers in the hospitality industry. But what should hotel managers of today look for when utilizing a full scale hotel computer system? This article attempts to aid the hotelier in compiling a series of functions which management should expect from any system chosen

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Front-of-the House Computer Systems: A Users' Guide

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In a previous issue, Dr. Alan J. Parker presented a case for the smart utilization of microcomputers in the hospitality industry. But what should hotel managers of today look for when utilizing a full scale hotel computer system? This article attempts to aid the hotelier in compiling a series of functions which management should expect from any system chosen.

Computer systems are affordable for almost every hotel today, with varying degrees of performance. Increased competition and lower manufacturing costs have put them in the reach of any manager.

The first function any hotel computer system should include is reservations. The computer reservations system creates a future reservations file for the hotel, the capacity of which varies with the type and manufacture of the computer. The file should, however, provide for advance blocking, booking, and cancellations at least two years in advance. It should also provide elements for printing confirmation and rejection letters, as well as any guest requests or special service notes.

When the reservation is made, the information should be input immediately into the computer, making it accessible for management reports. This information could be used for business forecasts in addition to staffing and scheduling employees. Because the number and type of rooms which have been sold can be accessed at any time, management should know exactly where it stands in relation to room availability and staffing needs. The computer can then provide executive management the data necessary for making long-range decisions such as five-year plans and cash flow.

Because of these features, computerization of reservations is one of the most important areas of economic benefit for small and large properties alike. An in-house computer system can help increase a hotel's occupancy rate as well as raise the average room rate. Excessive overbooking, which is selling more rooms than are actually available, could lead to governmental control, as with the airlines. It is more efficient to allow the computer to calculate available rooms versus confirmed reservations than to perform this function manually on a frequent basis. The average room rate would suffer from this inaccuracy because the majority of time when a hotel is overbooked, lower rate rooms must be upgraded at the time of registration. This

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has a negative effect on room revenue.

The same may be true of the other extreme. Very often 100 percent occupancy is projected, while actual occupancy achieved is only 94 percent. This, too, reduces anticipated room revenue. The accuracy which computers provide in this area of the hotel justifies a system purchase, even in small hotels.

Payroll Costs May be Reduced

Because an in-house computer eliminates manual maintenance of reservation racks and prints automatic confirmations and deposit requests, payroll costs may also be reduced significantly.

The registration function should work closely with reservation. All the information given to the reservations clerk at the time the reservation is made should appear on the pre-printed registration card. In addition, the front office desk clerk should be able to access this data on the screen located at the front desk. Any special rates or requests are then easily communicated to the desk clerk whose function it is to accommodate the guests efficiently and hospitably.

The pre-printed registration card eliminates the re-copying of basic guest information. Because the information is pre-printed, the guest's obligation upon check-in is to verify the data printed, provide the suitable method of payment, and sign the registration card. The desk clerk's responsibility is to transfer the guest's status from having a reservation to being registered.

The process of checking in the walk-in guest should also prove to be a more efficient process. The guest would simply give the desk clerk the information which otherwise would have been given to the reservations clerk. It is the desk clerk's duty to input this information into the computer, a task which takes a few moments to perform.

The computerized registration function also produces tangible economic benefits. Because all the necessary information about the rooms is contained within the computer's memory, manual room and information racks need not be maintained up-to-the-minute, although a manual room rack printout should be required daily in the event of a power failure or system malfunction. The elimination of this constant manual process saves a great deal of the desk clerk's time, time which can be spent serving the guests.

As a result of this system, fewer personnel are needed at the desk, even during peak periods. It also permits combining the functions of desk clerks and cashiers, allowing for fewer, happier employees. Behavioral studies have shown employees perform at higher levels when they are subject to a non-repetitive routine in their jobs. Therefore, higher productivity should result from this system, facilitating better relations between clerk and guests, with an increase in repeat business as a direct outcome.

Computers Can Provide Room Data

Another very important point of information the computer can provide is the data on room status, whether the room is vacant, occupied, on change, or out-of-order. It is essential that this information be com-

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municated from housekeeping to the front office clerks and cashiers. The room status function of the computer allows this information to be communicated immediately in one of two ways. The information may be manually entered into the computer by the desk clerk upon notification by housekeeping, or the inspector/inspectress would automatically enter the information upon successful inspection of completed rooms. In this type of system, the inspector/inspectress would insert a key into a special box located in each guest room, which would be connected to the front desk via the hotel's telephone lines. The box would have four settings, representing the four different conditions of room readiness. Once the room passed inspection, the key would be inserted, activating the desired condition of readiness within the computer system. It is a very efficient method because the clerk is informed immediately of any change in room status.

Having immediate access to room status allows desk clerks to do a better job of reception and selling because they have the ability to relay messages to housekeeping (this is a reciprocal function). Priorities on unmade rooms can thus be communicated quickly and easily so the VIP and distinguished guests are not delayed long.

The computer may aid the productivity of the housekeeping department in other ways, too. It should be able to print a list of all the rooms and their present status, a copy of which may be given to each maid at the beginning of his/her shift. The rooms which appear to be vacant on the status report could be attended to first, while those rooms which showed occupied may be serviced later, after the prescribed check-out time. Because the status of every room on the floor is known, housekeeping personnel can be assigned more efficiently.

This function provides all the information needed by the rooms division of management, which may be drawn from the computer and displayed or printed when necessary. These reports can be used to obtain information on such things as room statistics, room status, and VIP's. One copy of each report would be added to the permanent records of the hotel.

Although there are many economic benefits which may be derived from this computer function, improved customer satisfaction would be the primary benefit. It provides prompt, easy check-in into vacant, clean rooms. The computer terminals (CRT's) allow instant room assignment, and because updating may be performed immediately by the housekeeping department, front desk, and cashiers, the room status is infinitely more accurate. Accurate room status also produces tangible economic benefits; lost revenue because of "sleepers" would be eliminated with this system of automatic updating.

Guest Accounting Is More Accurate

Guest accounting is another important factor to be considered. Computers in this area complete the same transactions as the old posting machines, but much faster and with fewer errors than the old manual system. Guest charges are posted through a point-of-sale (POS) terminal or device. Either a CRT terminal or electronic register is online (in direct hook-up) to the computer. This system verifies the room

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number, registration status, and guest name. If the three factors just mentioned do not coincide, the charges will not be allowed and the guest will be required to give another method of payment. Utilizing the manual system, the incorrect information would usually be processed, then reconciled after the fact, sometimes too late to be able to collect on the bill. This new system will reject any inaccurate or incomplete checks before they can be processed.

The POS device eliminates virtually all late charges because they are posted immediately to the folio from the terminal. All mispostings are also eliminated because of the reduction in manual handling. By recording each transaction once, the data may be processed as many times as is necessary without additional human handling. Speed and accuracy are increased and errors decreased because of reduced recordkeeping.

Group billing is made much easier with this computerized guest accounting system as well. The charges of each individual or group member may be totaled and brought up for review or payment at any time thought necessary by management. This should be a program which receives major consideration from hotels which have large group or convention business.

Check-Out Is Simplified

The check-out procedure is also simplified. The huge workload of this function may be eased considerably with computer usage. Computers can provide for both group and individual check-outs. This is extremely helpful for those hotels which have large business turnover. The process is extremely easy and time-saving. The guest's final statement, prepared from the computer's memory, is backed up by a voucher system for all "signed" charges, those which the guest signs for, i.e., restaurant, lounge, valet, etc. Non-signed charges would include the room charge, tax, etc. The printing of a folio should take seconds and should include a short verification by the guest of all charges incurred, followed by the payment. This feature should take one to two minutes, speeding the process and making check-out more pleasurable and efficient.

The computer provides a number of safeguards which are essential in this department. Audit trails are created for each transaction. In order to post a charge, for example, the clerk should enter the terminal code, his or her identification code, and the voucher identification number. The computer also has a function to electronically review all folios which have been modified during the course of the day. Any incomplete transactions should be refused. A number of reports would then be available from this system for management use. At the close of a shift, the computer would quickly provide the cashier with a summary of all charges, cash sales, and credit card transactions.

The economic benefits derived from this function are many. Late charges, which have been the bane of many a hotelier's existence, are virtually eliminated. The small amount of charges the hotel is unable to trace for the year using this computerized system, which would probably equal one day's late charges in a hotel using the old manual

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system, would be written off at the end of the year. This is one of the most important areas of cost control in the hotel because not only is the charge lost, but there are also the collection costs in trying to recapture the loss.

Computer posting of guest charges by the POS terminals relieves the front office cashiers of the "posting burden." Free from this responsibility, the position of front office cashier and front office clerk may be combined, resulting in a substantial labor savings.

Computer Assists Telephone Department

The profits from the telephone department may also increase as a result of a front office computer. Since deregulation of the telephone company in January 1984, hotel telephone departments have become their own phone companies. Local and long distance charges may now be set by the hotel, utilizing one of the many low-cost long distance computer services. The hotel can charge full AT&T long distance rates for operator assistance while routing the call through the computer service. This, in effect, allows a 50 percent or more profit for the hotel on all guest long distance calls.

The local service is now profitable, too. The hotel simply charges a flat fee for every local call. This drastic increase in telephone revenues is further enhanced by the computer because there is a great labor savings in billing and posting of charges, which in the past were performed manually and are now automatic. The telephone department can now be management's shining star, a high-profit automated operating center.

The night auditor is the person who benefits most from the installation of a front office computer. The computer eliminates several manual processes, the posting of room charges and tax to the folios, the balancing of the room rack to the folio pit, and the production of the daily report. These otherwise time-consuming tasks, as well as the search for careless posting errors, can be accomplished in minutes by the computer, which also performs the audit, saving the night auditor much time and tedium. This individual can then serve the customers, not the accounting department. The computer is also able to produce reports, such as the credit limit report and the allowance report, vital to management control.

Needless to say, much money can be saved in the hotel which computerizes the night audit. Because this function is performed at the 11 p.m. to 7 a.m. or midnight to 8 a.m. shifts, and employees are usually paid more to work during those hours, payroll cost reduction is even more substantial with the computer.

Back Office Functions Are Facilitated

The system also performs several back office functions in addition to the front office features. A computer system provides the operator with all the necessary tools to properly manage accounts receivable, i.e., the city ledger. Guest accounts not paid with cash would automatically transfer to the city ledger. The guest's bills are generated on the date of departure. Many hoteliers who have com-

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puter systems have admitted to lower bad debt write-offs and a reduction in the average accounts receivable balance.

An automated accounts payable system helps to reduce cash flow problems. It is able to forecast cash requirements and highlight or automatically process cash discounts offered by vendors. A historical vendor analysis is another useful management tool which can be easily produced with the use of the back office computer.

Processing payroll on the in-house computer, which is usually the first application of computer use in any business adopting a new computer, can reduce or eliminate the cost of current processing methods, whether it be an outside service bureau or in-house manual or machine processing.

A look at the speed, accuracy, and efficiency of a hotel computer system provides a view of the future, which is here today. The computer is a must for hotels which wish to maintain a reputation of top service, good quality, and financial well-being.

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