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## Hotel Front Desk Management and the Role of Information **Technologies**

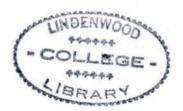
Michael A. Jarzewiak

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## HOTEL FRONT DESK MANAGEMENT AND THE ROLE OF INFORMATION TECHNOLOGIES

Michael A. Jarzewiak, B.A.



A Culminating Project Presented to the

Faculty of the Graduate School of Lindenwood

College in Partial Fulfillment of the

Requirements for the Degree of

Master of Corporate and

Industrial Communications

1994

#### Abstract

This thesis will focus on Hotel Front Desk Management and the role of Information Technologies.

Recently, with the advancement of information systems, the hotel industry is changing as necessary. Property Management Systems--known in the hospitality field as PMS--have changed the way hotels operate.

Other technologies discussed are keyless lock systems, and computerized time card systems, along with other high-tech systems.

The major concern of this thesis is to research various Property Management Systems and to see what is the most important criteria hotel executives or operators seek before implementation.

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A Culminating Project Presented to the Faculty of the Graduate School of Lindenwood College in Partial Fulfillment of the Requirements for the Degree of Master of Corporate and Industrial Communications

#### Committee in Charge of Candidacy

Professor Michael Castro, Chairperson and Advisor

Adjunct Professor Joseph Silverio

Adjunct Professor Ben Kuehnle

#### Dedication

To my wife, Kathleen, who believes in me and supports higher education.

To my parents, who allowed me to pursue my own interests  $% \left( 1\right) =\left( 1\right) \left( 1\right) \left($ 

#### Acknowledgements

I am thankful to many people who have supported me throughout this project. To Dr. Michael Castro, who took endless time to edit my thesis. To Jennifer Lee, who encouraged and inspired me throughout my writings. To my brotherin-law, Daniel P. Delaney, who helped me edit and format my thesis on his Personal Computer.

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#### Chapter I

#### Introduction

Among other things, the student of Hotel

Management will find the front office referred to as

the "hub," the "nerve center," the "brain," or some

other name suggesting the center of the modern

hotel. As H.E. Heldebrand stated in his now classic

1944 book Front Office Psychology, "...To the guest,

the manager is largely represented by the front

office, and the unseen head will be judged favorably

or otherwise by the guest treatment there"

(introduction).

In this thesis, I will briefly cover the personnel of the front office, managing front office personnel, and how hotel management deals with guest complaints. As my title indicates, the project has two major areas of concern: Front desk management and the role of information technologies.

Information technologies will comprise my major focus of the thesis. I plan to research what makes hotel operators or executives choose their property management systems, also known in the field as "PMS." I want to answer all questions regarding the decision making process of the hotel's PMS.

Later on, in Chapter III, I will discuss from different periodicals how the Chicago-based Hyatt Hotels Corporation uses PMS in their full-service hotels. Hyatt wants to compile and have access to guest-history information, have messaging capabilities, frequent traveler program data, and the ability to interface to a number of different hotel systems.

I will also discuss how the Trump Plaza uses its PMS to keep ahead of the competition by making the Plaza's visitors happy and keeping the company's computer users content.

Before I discuss the new dimensions of this exciting industry, it will be useful to take a look at its past history in order to get an understanding

of how the hotel industry has changed over the years.

#### History of the Hospitality Industry

The beginning of the hospitality industry goes back thousands of years. In the ancient Greek and Roman cultures (around 50 B.C.), taverns were the hub for social and religious activities. Mainly the males dominated the scene; however, females were allowed to entertain the guests with song and dance. Many Greek taverns were centered around temples where the Greeks would worship their gods. animals were taken for sacrifice and then removed to the neighboring taverns for a feast. Although there were rooms set aside for travelers, the beginning of the hospitality or lodging industry, as we know it today, could be more closely related to the Romans (Baker 13).

Because the Roman Empire was so immense,
many Roman officials and tradesmen frequently
traveled for business purposes. As a result, many
inns and taverns emerged to accommodate them. The

Roman society had a strict class structure and this factor influenced their inns. When officials traveled, they were accommodated mostly by homeowners, but merchants and other non-official travelers stayed at inns for their accommodations. These early inns were built along thoroughfares and in towns and cities, and were somewhat comfortable but not so elaborate (Baker 13).

The Romans were thought to have been the first leisure travelers, or vacationers. Traveling was generally confined to the Roman Empire, but because the Roman Empire was so vast, they were able to visit many areas. Romans enjoyed taking trips to Greece and Italy as well as the Mediterranean. All this travel helped the inn and tavern industry grow throughout the Empire (Baker 13).

After the collapse of the Roman Empire (in the first century A.D.), the Dark Ages followed and the hospitality industry came to a halt. It was not until the Medieval Period (approximately 500-1300) that trade and travel began to grow again (Baker

13).

The developments in England prior to the foundation of the American colonies had the most impact on the American hospitality industry. According to Susan A. Baker, during the early Medieval period travel in England was restricted because roads were almost impassable, and it was very dangerous because of highway robbers and thieves on English trail routes (14). After the Norman conquest of England in 1066, The likelihood of theft was reduced and travel picked up. Travelers began to make trips to both shrines in England and the Holy Lands and both of these helped to revive the English hospitality industry (Baker 14).

The primary inns during this time were really private homes since anyone could take in paying guests for the night. Sooner or later, one person in the town became known as the innkeeper and he would take the overnight travelers in for accommodations.

The English class structure, which was similar to the Romans, was reflected in their lodgings. The nobility usually stayed at monasteries while traveling, and middle class (merchants, small landowners) stayed at the inns.

As The Medieval Period drew to a close, inns and taverns increased in popularity. The need for private accommodations was increasing, the influence of the Church on social life was less strict so people would go to taverns more frequently, and the number of inns and taverns were growing to meet the demand of the English (Baker 14).

The Renaissance announced the rebirth of
Europe and had a tremendous impact on the
hospitality industry. The European economy was
revitalized and trade among nations increased; and
with the new economic vitality the demand for inns
and taverns also increased. In England, King Henry
VIII helped the hospitality industry by dissolving
monasteries through an Act of Parliament. This
meant that people could no longer seek lodging in

monasteries and were forced to stay in privately owned inns (Baker 14).

During and after the period of the

Renaissance, there were many changes in England's

social and economic structure. National and

international trade flourished and the widespread

development of the stagecoach helped the English

hospitality industry prosper. Englishmen were soon

to journey to America and bring the spirit of

hospitality with them.

#### History of the Hospitality Industry in America

The first inn in the colonies was believed to have been established in 1607. The American inns were similar to the English inns; however, they did not adhere to a class system and were used mainly by business travelers. Inns grew along with westward expansion. It was not until 1794, however, that the first hotel was specifically built as such. The grand opening of the City Hotel in New York encouraged the construction of hotels in other cities, none of which were luxurious by today's

standards. Both eating and lodging facilities in these hotels were owned by people of the community (Baker 14).

In .1829 the Tremont Hotel--the country's first "modern," first-class hotel--was constructed in Boston. This sparked a trend of luxury hotels throughout cities in the East, followed by similar trends in the Midwest, West and South. By the end of the nineteenth century there were mainly two types of hotels--large and luxurious and small and economical -- which were built near the city's transportation centers (primarily near the railroad stations). As transportation improved more business travel developed, but the businessmen found the luxury hotels too expensive and the smaller ones inadequate for their needs. Hence, Ellsworth Statler opened up the first commercial hotel in 1908; it was called the Buffalo Statler. Some of the amenities included locks on each door, back to back plumbing, electric switches by the guest room

door, private baths, and a free, morning newspaper (Baker 14-15).

During the 20's the hospitality business was good; however, by the 30's, in the heat of the depression, it hit rock bottom. World War II spawned a tremendous amount of travel in the United States which helped the lodging industry grow again. Hotels had one-hundred-one percent-plus occupancy. However, the nature of the lodging changed after WWII because of the advent of the motel which came about because of the change in American lifestyles (Baker 14).

In 1952, one of the first motor hotels was built by Kemmons Wilson--the Holiday Inn. Americans wanted accommodations appropriate for families without paying for all the extras that full-service hotels offered. Motor hotels seemed to fit the need. They offered lower prices and had reduced services. Many hotels, especially the older ones were forced to close because of these new "motels;" they could not compete. Finally, the American Hotel

Association became the American Hotel and Motel
Association (A.H.M.A.)(Baker 15).

Hotel companies prospered during the 1970's and early 1980's. Hotels began to offer a wide range of accommodations. Many hotels include casinos, and amusement parks. Hotels popped up all along airports throughout the country. Presently, lodging chains continue to grow, making the hospitality industry dynamic as ever.

The Future of the Hospitality Industry

The hospitality industry will probably
become very diversified and expand their
accommodations from budget to luxury.
Telecommunications will continue to play an
important role in the lodging industry especially
for the business traveler. As our technological and
economic growth prevail, the hospitality industry
will adjust accordingly.

Note: The history of information technologies as seen from the hospitality industry will be discussed in Chapter II, Part II.

Chapter II, Part I will discuss who makes up the front desk, managing personnel, and how hotel operators or management deal with guest complaints.

Chapter II, Part II will discuss what hotel operators or executives look for in a property management system and the chapter will take a brief look at the history of information technologies in the hotel industry.

Chapter III will explore the role of information technology found in a sampling of hotels; this chapter will cover the specified research.

Chapter IV will cover the results of the research on the role of information technologies and Chapter V will discuss them through interviews with various hotel operators or executives.

# Chapter II, Part I Review of Literature

I thought it would be essential to discuss

these various topics, especially for those who are

seeking a career in hospitality management in order

to get a glimpse of the various duties which take

place in the front office. Also, we will explore

how management selects their talents from the

outside, or even from the inside. Lastly, I will

discuss how management deals with complaints which

should provide a realistic picture of how hotels

really run.

#### Front Office Personnel

According to Steadmon and Kasavana, (authors versed in the hospitality industry) hotel management is the person or people authorized by ownership to represent its interest. Management is responsible

for guiding the operation of the hotel and regularly reporting to ownership the property's overall operating health and any other pertinent facts. The major functions of a hotel management team include planning, organizing, coordinating, staffing, directing, controlling, and evaluating to reach specific coordination of the activities of the various departments and divisions (34).

The top person of a property is usually called its general manager, managing director, or director of operations. The general manager reports to the owner or an assigned person employed by the owner's company. Chain organizations usually have regional or district managers supervising the properties of a specific group. The hotel general manager supervises all divisions, either through a resident or assistant manager or directly through department managers or supervisors (steadmon/Kasavana 34).

#### Front Office Operations

Typically, front office functions include reservations, registration, room and rate assignment, guest services, room status, maintenance and settlement of guest accounts, and creation of guest history records. The front office is responsible for guest information, coordinating guest services, and ensuring guest satisfaction.

These tasks are performed by the front office personnel. Front office job descriptions, job specifications, and typical work shifts should be geared to provide the highest levels of employee and guest satisfaction (Steadmon/Kasavana 35).

#### Job Specifications

Job specifications list the personal qualities, skills, and traits needed to successfully perform the tasks outlined by a job description. Job specifications provide employees with an

understanding of the front office's expectations.

Factors that might be considered in developing job specifications include formal education, work experience, general knowledge, previous training, physical skills, communication ability and equipment skills. These are the things that management looks for when identifying current employees to be considered for promotion.

Although front office job specifications are not all alike throughout the industry, (also known as lack of standardization) certain traits and skills can be expected in the job specifications of most hotels. Front office positions call for a lot of public contact and often require specific interpersonal skills. Traits that are important to the front office include:

professional demeanor;

friendly personality;

courteous attitude;

flexibility;

spirit of hospitality;

well groomed appearance.

Having an outgoing personality and a willingness to learn are very important qualities to the front office. However, evaluating an applicant on the basis of those traits is a subjective process (Steadmon/Kasavana 38). We will discuss what employers look for in a candidate later on, but first let's take a look at what personnel makes up the front office.

#### Front Office Personnel

The positions that I am about to describe are typically found in a mid-size to full-service hotel.

Many hotels are moving toward more universalized front office positions than those presented here. For instance, in a small hotel, a front desk clerk may serve as a cashier, guest service agent, reservationist, and switchboard operator. However, many hotels simply refer to all front office employees as front office agents, guest service representatives, or something similar. Typically, the personnel that make up the front office are the manager, assistant manager, guest service agent (desk clerk), reservations agent, sometimes switchboard operator, night auditor, and the concierge, which is fairly new in America (Steadmon/Kasavana 39).

The traditional functions of a front desk agent center on the registration process. However, it is the front desk agent who mostly represents the hotel to the guest throughout all stages of the guest's stay. Front desk agents should have a terrific personality in all interactions with guests. A front desk agent typically:

register's guests;

determines guests' reservations status;

identifies guests' length of stay;

completes guest registration cards;

assigns appropriate rooms, accommodating requests whenever possible;

determines room rates, including packages and discounts;

determines guests' method of payment and follows established credit-checking procedures;

distributes information to appropriate racks and personnel;

coordinates maintenance work with the engineering and maintenance departments;

maintains safe deposit boxes and supervises access;

handles guest mail, messages, and information.

According to Rutherford, a major responsibility of the front desk agent is helping the guest determine what particular room rate is most appropriate to the guest's want and needs. This will vary, of course, with the type of accommodation the guest desires, the length of stay, and other requirements that are needed to register the guest. The front desk agent then helps assist in the performance of the registration procedure, assigns a room, helps the guest decide on a method of payment, and begins the rooming process by dispensing and controlling keys and dispatching bell staff to

assist the guest to the room. In many ways the front desk agent is the eyes and ears of management regarding the operation of the hotel and its hospitality with the guests. To this extent is is truly an important position (55).

#### Reservations Agent

The reservations agent is part of the front

office personnel; however the offices may be in back

of the front office. Like front desk agents,

reservation agents must also act as sales

representatives for the hotel. Close interaction

with the sales and marketing division is essential

when large groups are booked into a hotel. The

reservations agent typically:

Listens and responds appropriately to guest,

travel agent, and referral network

communications concerning reservations arriving

by mail, direct telephone, telex, cable, or

central reservations;

establishes and maintains reservation records, by date of arrival and alphabetical listing;

prepares letters of confirmation;

processes cancellations and modifications promptly, and relays information to the front office;

tracks future room availibilities on the basis of reservation (to avoid overbooking);

processes room revenue and occupancy forecasts;

communicates reservation information to front desk agents;

prepares expected arrival lists for front office use;

assists in pre-registration (Steadmon/Kasavana 41).

It should be noted that in some hotel companies, reservations may be shifting to the marketing or sales department. This recognizes the importance of the sales department in bringing in group business and the close relationship that the sales staff and the reservations people must attain. Yet, in other hotels, the reservations agent may remain in the front office, which typically has been its focus throughout history (Rutherford 55).

#### Night Auditor

The night auditor checks the accuracy of front office accounting records and compiles a daily

summary of hotel financial data. Usually, the audit is done at the end of the business day, on the hotel's night shift, thus, the term night auditor.

The night auditor typically:

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posts room charges and taxes to guest accounts;

processes guest charge vouchers and credit cards;

posts guest charge purchase transactions not posted during the day by the front office;

verifies all account postings and balances;

monitors the current status of coupon,
discount, and other promotional programs;

summarizes the results of operations for reporting to management (Steadmon/Kasavana 42).

The auditor tracks room revenues, occupancy percentages, and other front office statistics, and prepares a summary of cash, check, and credit card activities. This serves as the hotel's financial performance of the day. The auditor is usually responsible for all balances and reports them to management. In many hotels, the night auditor is actually an employee of the accounting division (Steadmon/Kasavana 42).

#### Concierge

Concierge services are common in European hotels, but their introduction in American hotel front office is rather new. The major task of a concierge is to serve as the guest's liaison with both hotel and non-hotel services. In a sense, it is an extension of the front desk agent. Some hotels find that front desk agents are too busy with other tasks to provide appropriate personal service;

a concierge has the time to give a more personal touch with the guests. In some large hotels, the concierge is a fully staffed department (Steadmon/Kasavana 42).

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A concierge must be familiar with the surrounding community. Regardless of whether inquiries deal with non-hotel services, the concierge must be knowledgeable in these areas.

Typical guest requests handled by a concierge include:

providing directions and information;

making airplane, theatre, or other reservations and obtaining tickets;

organizing special functions, such as VIP cocktail receptions;

arranging for secretarial services (Steadmon/

Kasavana 43).

The concierge may give guests a courtesy call after they check in to see if they need any immediate services. In some hotels, the concierge is designated to handle all guest complaints, whether the guest appears in person or telephones the desk.

In case the concierge is absent, sometimes the front office releases other front desk agents to handle the same tasks (Steadmon/Kasavana 43).

#### Assistant Manager

Usually, the front office assistant manager supervises on a day-to-day basis over all the front desk personnel. The front office assistant manager

performs duties under the direction of the front office manager. He or she is responsible for the smooth functioning of front office activities and may work specifically with tour groups and/or corporate clients to ease their access to the hotels and its services. However, it has been my experience that the reservation's director will assist with tour groups. For instance, he or she may take them out for cocktails using the van and may accompany them on their visit. Then he or she will bring them back to the hotel for coffee and snacks (Country Inn - St. Charles).

The front office assistant manager will assist in the hiring process and will usually write the schedule for the employees. A particular responsibility of the front office assistant manager is to monitor the status of guest accounts, and assist in check-cashing procedures. One of the responsibilities of the front office manager is to fill in at all front office positions in an

emergency (Rutherford 56).

#### Teamwork

Hotels are complex organizations which sometimes are invisible to the outside observer.

Teamwork is the key to a smooth operation. All of the employees must cooperate with one another and leave all power struggles at home. Even though the general manager is responsible for the continuity of work and teamwork philosophy, every employee can help. Employees should treat one another as they treat guests. Each department should give service so that the guests will return and even recommend the hotel to others. Employees working together will make the hotel a success (Steadmon/Kasavana 43).

Managing Front Office Personnel

The front office manager is often involved

in recruiting and selecting employees, orienting new employees, developing performance standards for front office positions, training employees, and evaluating the performance of front office staff.

In doing these responsibilities, front office managers must exercise skill in areas of planning, organizing, coordinating, staffing, and directing (Steadmon/Kasavana 235).

To give you an idea of how employers of hotels hire their staff, I will discuss recruiting and selecting employees.

Recruiting and Selecting Employees

Recruiting employees is a process by which applicants are sought and screened for suitability

of positions in the organization. The process involves advertising these vacancies through the proper channels, such as a newspaper, and evaluating applicants to determine who should be considered for open positions (Steadmon/Kasavana 235).

The human resources department should help the front office manager with whatever assistance is needed to help find the most qualified applicants for an open position. A small hotel will probably not have a human resource division. In this case, the front office manager may be involved and do initial interviewing, contacting applicants' references, and related tasks. In all properties, (a trade word that means the hotel) the front office manager should personally interview top candidates for open front office positions because he/she has experience (Steadmon/Kasavana 235).

The front office manager should always be

involved in the selection of an applicant.

Depending on the property, the front office manager
may either hire the applicant or refer the applicant
to even higher management.

Tools to Work With In Selecting Applicants

A couple of important tools used in the selection process are job descriptions and job specifications. A job description is a listing of all the tasks and related information which make up a work position. A job description may also include reporting relationships, responsibilities, working conditions, equipment and material to be used, and other important information specific to the requirements of the property (Steadmon/Kasavana 235).

Job descriptions are helpful in recruiting and selecting employees because they stress what duties are involved in a particular job. They may

also explain how the position for which the applicant is applying relates to other positions in the front office operation. Formats and contents of job descriptions vary to the needs of individual hotels (Steadmon/Kasavana 236).

Job specifications list the personal qualities, skills, and traits needed to successfully perform the duties outlined by a job description.

Although job specifications are specific to a certain position, some general statements can be made about the skills, educational background, and personal qualities helpful in performing many front office duties (Steadmon/Kasavana 236).

Successful individuals in hospitality
usually have certain skills that are acquired
through experience or education. Applicants with
practical skills, knowledge, and aptitude are likely
to become valuable employees. Two most important
skills that an applicant may have in this business

are mathematical aptitude (in order to understand the arithmetic in front office accounting) and typing skills (especially helpful for the data processing involved with computer terminals (Steadmon/Kasavana 236).

Since front office employees come in contact with the general public all the time, managers often look for certain personality traits in applicants-professional attitudes, appearance, and demeanor; pleasant personality; and flexibility. Managers often use job specifications with the help of other front office staff to determine which applicant has these qualities (Steadmon/Kasavana 236).

When such a list is made, questions still might arise. For example, what is meant by "appropriately dressed?" In a resort or small hotel, this could mean casual. In a larger hotel, the dress may be considered a bit more formal, such as business attire. Each description must meet the

needs to the individual hotel(Steadmon/Kasavana236).

## Evaluating Applicants

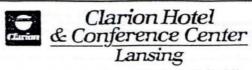
Usually, front office managers evaluate job applicants by reviewing completed job application forms, checking references, and interviewing selected applicants. In hotels with human resource divisions, the applicants are usually screened on the basis of job descriptions and job specifications. In hotels with human resources, the front office manager may be responsible for all aspects of evaluating applicants (Steadmon/Kasavana 236).

The job application form provides basic information to assess whether the applicant meets minimum job qualifications. The application may prove how well the applicant is suited for job specifications. The form should be simple and should only require information that is important in

considering how suitable the applicant is for the position. Enclosed is a sample job application form (exhibit I) (Steadmon/Kasavana 240).

References provided by applicants may be checked to verify that the applicants are who they say they are and have represented themselves correctly. Past employers may not provide any information other than the applicant's past job title, dates of employment and salary verification. Former employers rarely reveal whether the person is eligible for rehire because it increases their chances for potential liability in case the person charges libel, slander, or defamation of character. (Front office managers must also be familiar with their own hotel's policy regarding calls about past employees (Steadmon/Kasavana 243).

Now that we have seen how management recruits employees in the hotel industry, let's take a look at how management and the front office staff



6820 South Cedar Street Lansing, Michigan 48911 517 - 694 - 8123

## APPLICATION FOR EMPLOYMENT

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handle customer complaints.

#### Complaints

After working in the hotel industry for two years, I thought it would be essential to talk about customer complaints since they can arise during any shift. Since the hotel industry is a service industry, similar to restaurants, it is necessary to know how to handle complaints if a hotel wishes to have repeat business and a successful operation.

According to Steadmon and Kasavana, guest complaints can be divided into four categories of problems: mechanical, attitudinal, service-related, and unusual.

Most guest complaints are related to hotel equipment malfunctions. Mechanical complaints—
usually have to do with climate control, lighting,
electricity, room furnishings, ice machines, vending
machines, door keys, plumbing, elevators, television
sets, and so forth. Even if you have an excellent

maintenance staff, problems still arise. Effective use of a front desk log book and maintenance work orders may help reduce the frequency of mechanical complaints (137).

Attitudinal complaints may be made by guests who feel they have been insulted by rude or tactless staff members, or who had staff members complain directly to them. Employees should not argue with or in front of the guest. If supervisors overhear staff complaining, they should deal with the employee's behavior immediately and solve the problem (Steadmon/Kasavana 137).

Service-related complaints may mean long
waiting lines for guests, a lack of assistance with
luggage, unclean rooms, telephone difficulties,
wake-up call errors, food or beverage quality, or
delayed responses to requests for additional
supplies. If a hotel is near full capacity, more
service complaints are likely to occur.

Unusual complaints may involve, for example, the absence of a swimming pool, a lack of public

transportation, early lounge closings, bad weather, and so on. Usually, the hotel has no control over such complaints. I would recommend just to sympathize with the guests and refer such complaints to market research (Steadmon/Kasavana 138).

## Identifying Complaints

All guest complaints deserve some attention.

Loud guest who demand attention at the front desk

will probably respond to an immediate solution while

a guest who comments in an offhand manner may accept

a different type of response.

The best thing a hotel manager can do is look at the front desk log book- if it has been properly used, he or she can get an idea of the most frequent logged complaints and address solutions to these problems.

Both Rutherford and Steadmon/Kasavana suggest the use of comment cards. A comment card is designed to collect information about the hotel's

mechanical systems, overall property rating, and relevant marketing data. Guest comment cards may be distributed at the front desk, or placed in the guestroom, or mailed to guests following departure (Rutherford 72; Steadmon/Kasavana 138).

By examining the number and type of complaints received, hotel management may gain insight into common or less common problems. Front office staff may be able to correct problems more frequently, especially if they know the problem cannot be remedied quickly (Steadmon/Kasavana 138).

### Handling Complaints

If a guest complaint is ignored, it can be counter productive to the hotel. In many hotels, customer complaints are supposed to be referred to the supervisors or managers. This may not always be possible especially if the situation warrants immediate attention. The hotel may wish to develop

a contingency plan in case such a situation arises.

The hotel and its revenue outlets should maintain close communications and develop procedures to satisfactorily resolve guest complaints.

The following general precautions should be considered in handling guest complaints:

If the guests are quite upset, staff members should never go alone to a guestroom to investigate a problem or otherwise risk potential danger;

Staff members should never make a promise that exceeds their authority;

If a problem cannot be solved, staff members should admit early on in the discussions. Honesty is the best policy;

Some guests complain as part of their nature, and may never be satisfied. The front office should develop an approach for dealing with complaints;

Role playing can also be an effective method in learning to deal with complaints. By anticipating complaints, planning, and practicing responses, and receiving constructive feedback, staff members will be prepared to address with complaints as they occur (Steadmon/Kasavana 140).

Enclosed is exhibit II. Steadmon and Kasavana use this list of complaint handling Guidelines.

Now that I have discussed the various functions of the front office personnel, managing front office personnel, and how management can cope with guest complaints, I hope you get a better understanding of how hotel operations work on a day-to-day basis.

#### EXHIBITION II

- 1. Listen with concern and empathy.
- 2. Isolate the guest if possible, so that other guests won't overhear.
- 3. Stay calm. Avoid responding with hostility or defensiveness. Don't argue with the guest.

111. 1. Marie - . .

- 4. Be aware of the guest's self-esteem. Show a personal interest in the problem. Use the guest's name frequently. Take the complaint seriously.
- 5. Give the guest your undivided attention. Concentrate on the problem, not on placing blame. Do NOT insult the guest:
- 6. Take notes. Writing down the key facts saves time if someone else must get involved. Also, guests will slow down when they are speaking faster than you can write. More important, the fact that a hotel staff member is concerned enough to write down what they're saying is reassuring to guests.
- Tell the guest what can be done. Offer choices. Don't promise the impossible, and don't exceed your authority.
- 8. Set an approximate time for the hotel's actions. Be specific, but do not underestimate the amount of time it will take to solve the problem.
- 9. Monitor the progress of the corrective action.
- 10. Follow up. Even if the complaint was resolved by someone else, contact the guest to see if the problem was satisfactorily solved. Report the entire event, the actions taken, and the conclusion of the incident.

My next chapter will explore the role of information technologies from various articles and texts that I have researched. After reading chapter II, Part II, I hope to give you an idea of what a good property management system would be and where it can be found. Different writers, versed in the hospitality field, explain what they think is the best way to evaluate a PMS system.

## Chapter II, Part II

As we learned from Chapter II, Part I, the front office is the information center or "the brain" of the hotel. I thought it would be interesting to see what hotel operators or executives look for in a property management system and to see what obstacles they must foresee. As you will learn in Chapter II, Part II, there are many factors these executives must take in to consideration. Each and everyday may bring new developments in information technologies.

Before we explore what executives look for in a property management system, let's take a brief look at the history of information technologies in the hotel industry. Semi Automated Operations of the 1960's will be my next topic.

According to Kasavana & Cahill's book entitled, Managing Computers in the Hospitality Industry, the lodging industry's first successful encounter with computer systems came through service bureau agencies in the early 1960's. Service bureaus enabled properties to enjoy the benefits of automation without having to support expensive in-house computer systems. It used to be that a property would manually complete data input forms (such as payroll data sheets), send them to the service bureaus for input and processing, and receive from the agency information which completed the specific function (such as computing the property's weekly payroll). Overall, service bureau agencies focused on routinely scheduled back office functions, and virtually ignored important front office activities (13).

Also during the early '60's, computer system vendors recognized the need and potential for hotel automation. These vendors tried to install in hotels the same computer systems which had been

successful in industrial settings. However, the information needs, procedures, and problems of lodging operations were radically different from those of non-hospitality industries. The assumption that the sale of guest rooms was related to inventory systems of non-hospitality businesses proved unrealistic and led to the making of early attempts to computerize hotel operations. Computer specialists thought creating a system for hotels was overwhelming, if not an impossible project. Hoteliers, on the other hand, were not upset, since many thought the systems would depersonalize the services their businesses provided (Kasavana & Cahill 14). The following sections trace the hotel guest cycle while summarizing the typical procedures of semi-automated hotels of the 1960's.

## Pre-Sale Activities

Private hotel reservation systems offered independent operators participation in early

automated networks. Guests making reservations

contacted a third party for network assistance or

could, as before, contact the hotel directly. This

spurred a vast increase in the volume of

reservations activity throughout the lodging

industry. Business grew beyond the front desk's

ability to retain and control and many hotels

implemented their own reservations departments

(Kasavana & Cahill 14).

Pre registration activities began as an off shoot of automated reservation networks and included prepared registration cards, guest folios, and information slips. However, room assignments continued to be based upon room rack status. This meant they had to check "the bucket" (Kasavana & Cahill 14).

#### Point-of-Sale Activities

Upon arrival at the hotel, guests with reservations experienced a streamlined registration

process. They simply verified the accuracy of the prepared pre registration information and signed in. Walk-in guests completed a multi-copy registration card with attached slips which were given out by the front desk staff to the room rack, the switchboard operator, and the guest (Kasavana & Cahill 14).

Electromechanical posting machines became fixtures in the front office. However, improved internal communication, more efficient telephone equipment, and revamped operating procedures did not sufficiently reduce the overwhelming quantity of paperwork which was necessary to chart the hotel guest cycle. Vouchers continued to be used to communicate charges to the front desk; departments maintained sales journals and the folio bucket remained a part of the front desk (Kasavana & Cahill 14).

Posting machinery, capable of producing an audit tape, simplified verification procedures and provided the auditor with a more reliable set of account totals. However, on the average, the night

audit routine remained unchanged (Kasavana & Cahill 14).

## Post Sale Activities

A more thorough audit led to faster and smoother check-outs. Front desk agents experienced fewer account discrepancies, were able to reconcile accounts more quickly, and could swiftly relay information to the housekeeping department.

Usually, stored registration cards remained to serve as the property's guest history files (Kasavana & Cahill 15).

Throughout most of the 1960's, service

bureaus were the hotel industry's only viable

approach to electronic data processing. Hotels

using service bureaus gained significant control

over their data processing functions. In the early

1960's, payroll was by far the most popular

application; however, other back office applications

were soon converted, such as accounts payable,

accounts receivable, inventory, and purchasing functions (Kasavana & Cahill 16).

At the property level, an increasing number of hotels began to implement a uniform accounting system. A uniform system of accounts establishes standardized formats and account classifications to guide individual properties in the preparation and presentation of financial statements. The standardization permits users of financial statements to compare the financial position and operational performance of a particular property to similar types of properties in the hospitality industry (Kasavana & Cahill 16).

During the 1960's, management became much

more budget-minded. Inventory and internal controls

took on new importance (also referred to as the

profit and loss statement) and received a renewed

level of attention. In addition, government

pressure for more reports and better record keeping

contributes to the strain on back office activities

(Kasavana & Cahill 16).

## Automated Operations of the 1970's

In the 1970's, there was a revolution in computer system design and capability. Computer equipment became less expensive , more compact, and easier to operate. Also, applications evolved into user-friendly packages which did not require the kind of sophisticated technical training required by earlier computer systems. The popularity of minicomputers presented a significantly more attractive data processing configuration for properties with between 250 and 750 rooms. Also to come, increased versatility of microcomputers, also called personal computers, provided the foundation for system vendors to begin approaching smaller properties (Kasavana & Cahill 16).

It was during this decade that the hotel industry began to reap the benefits of automation. The emphasis of computer systems shifted from service bureau applications for back office

activities to in-house front office activities (Kasavana & Cahill 16).

#### Pre-Sale Activities

In-house reservations modules of a property's computer system were able to interface with central reservation networks, thus providing an enormously efficient means of handling large amounts of data. Upon receiving reservation requests, in-house systems automatically blocked rooms according to computer-based formulas designed to sell rooms in a specified pattern (zonal, floor, block, etc.). The reservations module also included confirmation letters. The confirmation procedure prompted the computer system to establish electronic folios for quests with confirmed reservations and initiated automatic posting of pre registration transactions (advance deposit or prepayment). Reservation modules also prepared lists of expected arrivals, generated occupancy and revenue forecasts, and

produced a variety of informative reports for management (Kasavana & Cahill 16).

## Point-of-Sale Activities

Room racks (list of rooms rented) and electromechanical posting machines were replaced by computer terminals with sophisticated capabilities which gave properties unparalleled control over the guest cycle. The ability to interconnect remote point-of-sale registers to centralized electronic folios enabled on-line charge posting. As guests charged purchases at various revenue centers throughout the property, the charged amounts were electronically transferred to the front desk and automatically posted to the proper folio (Kasavana & Cahill 17).

Instantaneous postings, simultaneous guest account and departmental entries, and continual trial balances freed the auditor to spend time auditing, rather than just balancing guest account

totals. A neatly printed (hard copy) electronic folio, containing charges and reference codes, assured the guest of accuracy in statement preparation. In addition, the installation of on--line credit card authorization terminals enabled front desk personnel to receive verification and authorization prior to guest departure (Kasavana & Cahill 17).

#### Post-Sale Activities

Although the 1970's mainly saw the development of front office computer systems, there were also advances in automating back office activities. The computerized services previously provided by service bureaus became in-house back office computer applications. However, there was not much success in the area of interfacing front office and back office activities within a single computer system. As the number of automated properties increased, so did the demand for a fully

integrated property-wide computer system.

Technological developments of the 1980's refined the automated front office and back office computer applications which appeared during the previous decade and introduced the hospitality industry to the age of fully integrated computer-based property management systems (kasavana & Cahill 18).

Computer-Based Property Management Systems

A computer-based "property management system" (PMS) carries out a number of front office and back office functions while supporting a variety of applications software which may relate to front office and back office activities. Application software is the term for computer programs which instruct the hardware of a computer system what to do, when to do it, and how to do it (Kasavana & Cahill 18).

PMS front office applications consist of computer software modules for reservations, rooms management, guest accounting, and general management. The number of modules provided by a PMS back office package may vary widely. Usually, they include modules for accounts receivable, accounts payable, payroll accounting, and financial reporting. Other PMS back office modules include inventory control and valuation, purchasing, budgeting, and fixed asset accounting. A variety of stand-alone applications may be interfaced to a PMS. Popular interfaces include point-of-sale systems, energy management systems, call accounting systems, electronic locking systems, microcomputers, and quest-operated in-room bars and movies (Kasavana & Cahill 19).

In this thesis, I will address the problems or obstacles hotel operators or executives face when deciding what PMS to purchase. I will discuss from a variety of current articles what executive seek most before purchasing and implementing a PMS.

## "Get It Together"

Carlo Wolff, associate editor for <u>Lodging</u>

<u>Hospitality</u>, offers solid advice concerning PMS in his article in the December, 1991 issue entitled,

"Get It Together".

In it, Wolff quotes Rick Stanfield, the director of operations at Opryland Hotel, as emphasizing that it is time to stop the territoriality. Integration, according to Wolff and Stanfield is the name of the game in property management systems, the only game worth playing.

"If I ran my hotel the way vendors sell to hotels, I would be bankrupt pretty quick," says Stanfield.

"Everything's segmented, every vendor wants its little piece (107)".

Stanfield discussed PMS at the International Association of Hospitality Accountants Technology Convention in the INFORUM in Atlanta on June 18 of 1992.

Vendors of PMS must provide more information that helps in decision-making, says Stanfield.

The reporting of PMS must be more sophisticated. It's no longer enough to automate systems that were manual, he says.

Stanfield says that a PMS will tell you how many rooms are arriving and departing but will not tell you how many "accounts" are arriving. "They'll tell me a husband and wife are coming. They will also tell me that two guests are arriving if you and I share a room at a convention. But for front desk purposes, that's two arrivals."

"They're not providing me the information to manage my property as well as it could be, because unless I have verbal communication from reservations, if I've got a high share with population, for the front desk it's two check-ins. They're dumping a lot of data but not giving me the information I need without manual interpretation."

The problems of PMS are software related, he says. Stanfield is convinced more can be done with

a PMS.

He said voice mail could be expanded, via interfacing with PMS, for mass-messaging. A PMS could extract a list based on specific criteria that would allow a message to be sent to everyone scheduled to check out on a certain date offering them discounts if they stay another night for example. "You got the PMS people over there, thinking their way. You got the voice mail/telecommunications people thinking their way, and the only person in between is the user," Stanfield said (Wolff 107).

"The Power of Lodging Technology"

This next article is entitled, "The Power of Lodging Technology". Edmund Watkins, the editor, is the author of this article which appeared in Lodging Hospitality of June, 1992.

The computer, Watkins asserts, has become the most important operational tool available to

hoteliers. His article describes how lodging operators look to technology to both improve efficiencies and to provide better guest services.

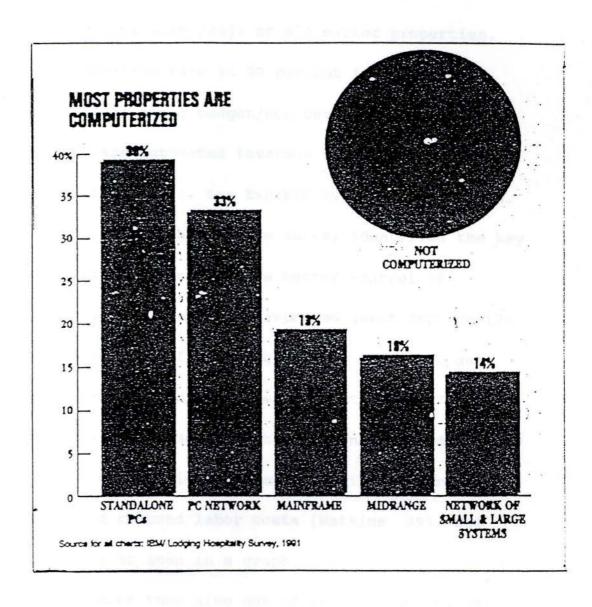
Operators are looking for additional applications of technology in the lodging industry (Watkins 38).

Watkins reports on the findings in an indepth study commissioned by IBM and <u>Lodging-</u>

<u>Hospitality</u> and found that these are some of the conclusions.

Fully 88 percent of survey respondents have computerized at least a portion of their establishments. Of the total, 39 percent are using stand-alone personal computers; 33 percent, a PC network; 16 percent, a mid range system. 19 percent, a mainframe; and 14 percent, a network of large and small systems. (Numbers don't total 100 percent because of overlapping categories.) Four out of ten operators in the survey have a property management system. Among those who don't, a majority plan to install one within two years (Watkins 38). See Exhibit III for more details.

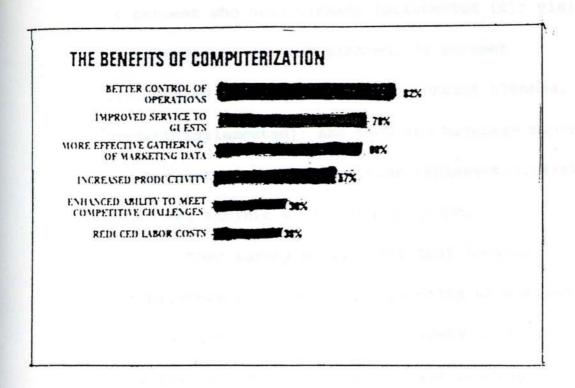
# EXHIBITION III



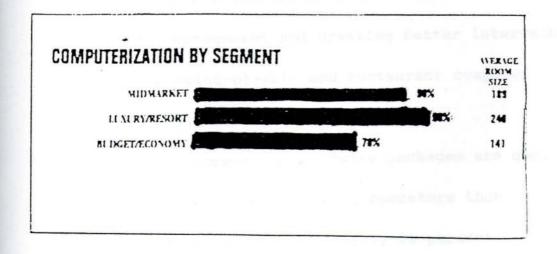
The highest rate of computerization exists among luxury/resort establishments (96 percent; average room size 240); of mid market properties, the automation rate is 90 percent (average room size, 189); among budget/economy properties, 70 percent are automated (average room size, 141)(Watkins 39). See Exhibit IV for more details.

Respondents to the survey identified the key benefits of automation are better control of operations (82 percent); improved guest service (70 percent); more effective gathering of market data (69 percent); and increased productivity (57 percent). Only 38 percent cited an enhanced ability to meet competitive challenges, while 36 percent mentioned reduced labor costs (Watkins 39). See Exhibit V as seen in a graph.

More than nine out of ten respondents use their property management systems for front office applications, including reservations. The most significant growth in new PMS applications is expected in sales and catering (50 percent plan to



### EXHIBITION V



computerize this function within two years, versus

34 percent who have already implemented it); yield

management (51 percent planned, 36 percent

implemented); point-of-sale (66 percent planned, 53

percent implemented); and food and beverage controls

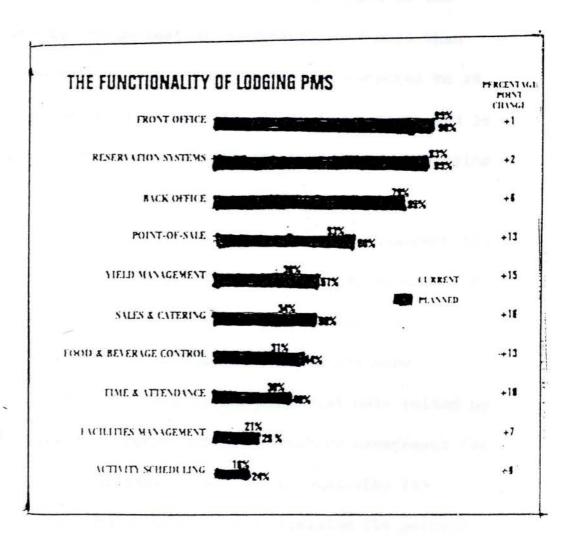
(44 percent planned, 31 percent implemented)(Watkins

39). See Exhibit VI as seen in graph.

"Our survey makes clear that lodging
establishments recognize the benefits of automation
and see computers as a basic business tool," notes
Dick Evans, IBM Program Manager for Lodging Industry
Marketing. "Most of the properties in the survey
already have automated front office and reservations
and are now looking at adding applications like
yield management and creating better interfaces with
their point-of-sale and restaurant computer
systems." (Watkins 39)

Commercial software packages are generally more popular with lodging operators than is customized software. Nearly 50 percent of respondents use commercial and custom packages and

# EXHIBITION VI



just 14 percent of properties use custom packages only.

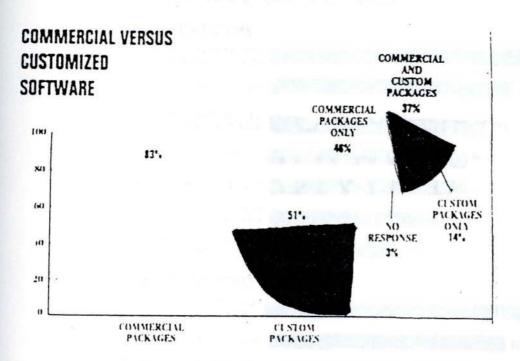
The use of both commercial and customized software packages increases with the size of the property: 52 percent of operations with more than 300 rooms use both type of software, compared to 29 percent of properties with 100 or fewer rooms and 36 percent of operations with 101 to 300 rooms (Watkins 40). See Exhibit VII as seen in a graph.

Respondents cited a number of management and guest services issues that present challenges to the use of technology in the lodging industry.

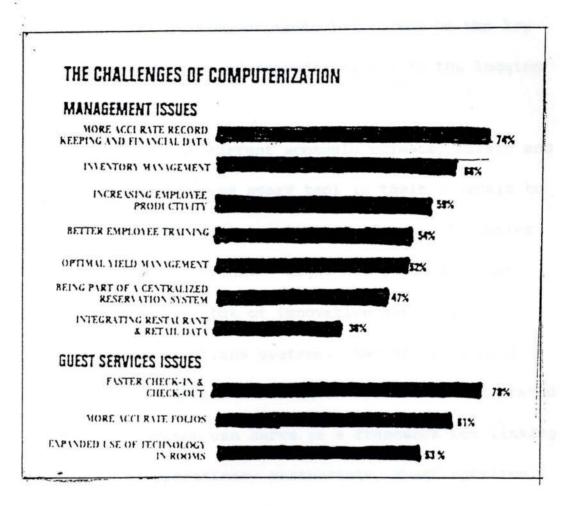
Management challenges mentioned include more accurate record keeping and financial data (cited by 74 percent of respondents), inventory management (66 percent), increasing employee productivity (59 percent), and better employee training (54 percent).

In the area of guest services, 70 percent of respondents say faster check-in and check-out is a primary challenge, as are more accurate folios (cited by 61 percent of respondents), and expanded

# EXHIBITION VII



#### EXHIBITION VIII



use of technology in rooms (53 percent)(Watkins
40). See Exhibit VIII for the Challenges of
Computerization.

Integration of technologies may be the key to future success of computerization in the lodging industry.

"In the current economic climate, hotels and resorts need to use every tool in their arsenals to boost internal efficiencies and give guests better service," says Evans. "Right now", he continues, "we're seeing a lot of innovation happening in central reservations systems. Besides linking a hotel to a central reservation system, an integrated computer system can serve as a framework for linking all hotel operations—restaurants, guest services, retail shops, and food—and—beverage inventory management—to the core front office functions (Watkins 40)."

"The Politics of PMS"

On June 22, 1992, <u>Hotel and Motel Management-</u>
published an article entitled, "The Politics of

PMS". Brian Katison is the author. In this

article, he explains that this is the year for

platforms and the same can be said for the hotel

computer environment.

There are many property management system

vendors campaigning that their system is "the"

candidate to lead hotels into the next century. But

what really do you know about their platforms? The

key question is does this candidate have the

flexibility to meet today's technological demands,

and a proven track record to overcome economic

hurdles?

To help answer these various questions, this article will discuss issues relating to the selection and implementation of property management systems, commonly referred to as "front office." In addition, a representative listing of packages is selecting for hardware-platform arenas:

microcomputers and minicomputers (Katison 33).

Medium to large size hotels typically have a minicomputer with front-and back-office applications. In addition, other hardware platforms may exist within the property, requiring integration between the multiple systems. These applications may include back-office, point-of-sale, and conference-or catering scheduling.

Smaller hotels may use a microcomputer either as a stand-alone system or with a local area network to support the applications (Katison 33).

Katison gives examples of which packages to choose. When selecting a PMS package, one aspect to consider is the number of rooms to be supported by the hardware and software. Bench mark guidelines that may be helpful are:

Fewer than 200 rooms-microcomputer, LAW;

200 to 600 rooms- minicomputer, LAW or
minicomputer.

more than 600 rooms- minicomputer (33).

Katison notes that guideline should not be set in stone. With the advances made everyday in

technology, almost anything is possible. If there is any doubt about the ability of a proposed solution to support the volume of rooms, a pilot-test system is strongly suggested.

This pilot should simulate the number of rooms and the transactions associated with a guest's stay as it would relate to the system. This will allow you to evaluate the response time and other system factors to see how they relate to your specific requirements (Katison 33).

Katison explains that each property is
unique and that a typical software package will not
meet 100 percent of the requirement. A fit of about
80 to 90 percent is considered acceptable. He also
goes on to say that there are usually two phases
performed to meet a property's management system
requirements: selection and implementation.

Below is a list to consider in selecting a property management system:

Identify functional and technical requirements;

Identify your business strategy and goals;

Evaluate software candidates against functional requirements;

Identify functions the software package does not perform, or "work-arounds";

Define the purchase order for all hardware and software (Katison 34).

Once a selection has been made, the next step is implementation. When implementing a package, management should:

Create a detailed work program that

describes the tasks to be performed, the

corresponding delivery of each step, and the person

who is responsible for performing the task;

Install hardware and software;

Determine the initial set-up parameters and master-file coding structures;

Organize the initial data to be entered;

Train the users;

Create daily, weekly, or monthly procedures to supplement the software's documentation and assure adequate internal controls;

Monitor the conversion (Katison 34).

Common pitfalls that may affect the projects

include (but are not limited to) the following:

Availability of users for training;

Availability of users for project involvement;

Lack of management commitment to the proposed solution;

Appropriate hardware and software resources;

Aggressive deadlines without proper commitment (Katison 34).

"Automating Properties:
Understanding the Human Element"

This article, entitled, "Automating

Properties: Understanding the Human Element" was

written by Galen Collins, M.S. He is an assistant professor in the School of Hotel and Restaurant Management at Northern Arizona University. He says that the development of property management systems has made these systems more useful for hotels. In selecting a system, Collins recommends that management should consider more than just the technical aspects of system operation. It must examine the system's human aspects (65).

By now, most hotel operators are aware that a computer based property management system (PMS) can replace paper work and integrate many aspects of a property's operation ranging from accounting in the back office to receiving guests at the front desk. In the past decade, PMS systems have become more advanced, thus making them more reliable and more successful in meeting the specific needs of hotel operators. Sadly, many hotels have had bad experiences with various PMS systems. A major reason for this failure is that employees have trouble understanding and using the systems (Collins

65).

Collins says that the key to a successful PMS in the 1990's will be the human factors. The best systems will be easy to learn, easy to use, and comfortable for all users. Employees will reject systems that cause users to suffer from headaches, eye-strain, frustration, confusion, and anxiety, because operators now recognize that poor system design causes these problems, not computers per se. A properly designed system is adaptable, understandable, predictable, responsive, self-explanatory, and flexible. In this article Collins explains the human factors one should look for in a He does not discuss the many technical factors, although these are critical. It is certainly important to match the PMS to the operation, but one must keep the human factors in mind (Collins 60).

Collins explains that the PMS's design, the placement and type of equipment, the presentation of program information and tasks, and the required

staff training should be based on user's physiological and mental needs (60).

Collins writes that the human needs should be included in the document sent to the system vendors requesting them to make a proposal for automating your property with their equipment. In this request for proposals (RFP), it is certainly important to give the vendors extremely detailed lists of all the things one wants a PMS to do. The RFP essentially states the highest hopes for a PMS (Collins 60).

# Assessing Employees

Collins says that when one plans to automate a property, one must understand one's employees' level of job knowledge, experience with and attitude toward computers, and typing skills. As the RFP develops, one should assess the employee's typing skills. This will show their weaknesses, and one will know what kind of training will be required. For example, an employee of a large Caribbean

property pin-pointed weak typing skills.

Consequently, the hotel offered typing classes

before the computers were installed. The result was
a successful installation (Collins 66).

Some employees may perceive the computers as a threat to their jobs. Others may resist computers for fear of losing control and influence. One can create positive feelings toward the new system by explaining why it is needed, communicating its benefits, and involving employees in selecting the system. Also, one should keep them informed of the progress in installation and discuss any potential problems during implementation. Finally, as Collins discusses in detail, patient and sensitive training can overcome employee's feelings of inadequacy about the PMS (Collins 66).

#### Knowledge Levels

To operate a computer, a person needs two kinds of knowledge- a general knowledge of how a

computer system works (semantic knowledge) and the specific knowledge needed to operate a particular system (syntactic knowledge). Your employees will have different levels of computer-related knowledge. Some will have neither syntactic nor semantic knowledge. These "naive" users will require the most assistance from the system in using it. "Novice" users have some computer experience, possibly on PC's or other PMS systems, but they lack the syntactic knowledge of how your particular system works. These people will most likely require some quick refresher-type training and then be able to operate the system with little help from the system itself. Finally, "expert" users have both the syntactic and semantic knowledge of your system. They will be able to use it at full speed, using whatever shortcuts are built into the system and without using on-screen help or other system assistance (Collins 67).

If the operation suffers from the high turnover rate typical of the hospitality industry,

the bulk of the employees will be naive or novice users. Consequently, the system will need to have a menu command arrangement that leads users through the procedures for operating it. With this system, the computer presents a variety of appropriate options and even prompts the user to choose one.

From there, screen by screen (step by step), the PMS leads the employee through the procedure for, say, registering a guest (Collins 67).

This process, however, would be tedious for an expert user, who would want a direct-command system that allows her or him to execute tasks with a keystroke or two regardless of what is showing on the screen, but would be just a series of Keystrokes. Some PMS's have incorporated both a menu-command system and direct command capabilities to accommodate all types of users. A hybrid system like this gives inexperienced learners something to grow into, while providing expert users a faster and more efficient interaction (Collins 67).

### Ergonomics

Collins explains that a comfortable work station will make for a better work environment. Too often the design and placement of equipment and furniture forces operators into awkward positions, causing discomfort, muscle tension, and stress. A well-organized hotel has detachable, adjustable keyboards that are put on a surface that allows a natural position for the user's hands. The keyboard should have a maximum pitch of 11 degrees to minimize the fatigue that often occurs when the hands are constantly elevated. Likewise, the terminal should be adjustable and placed at a height that allows the user to look down slightly at the A point ten to 20 degrees below the user's line of vision is appropriate (Collins 71).

Collins states that chairs are also important. He reccomends buying chairs that provide

adequate back support by distributing body weight through the buttocks, not the thighs. The seat should accommodate tall people as easily as short people and those with wide pelvises. Ideally, chairs should be adjustable for seat height, back height, and back inclination. The chair must allow the operator's feet to touch the floor, since this relieves back stress. If the chair won't go down, give the person a foot rest. If employees must stand, the keyboard and terminal should be placed at a height that prevent users from stooping over or assuming an unnatural position (Collins 71).

Collins sums up the article by explaining
that how employees relate to the PMS is critical to
a successful installation. PMS vendors pay closer
attention to the factors that influence the user's
interaction with the system, such as training,
screen layouts, color selection, software
architecture, and work station design. Collins
admits that in the next decade, customers will place
a higher priority on these considerations when

evaluating various PMS products. The first consideration has always been what the system will do for the operation, but of equal importance is how the system works and how comfortable the staff is in using it (Collins 71).

#### Trends

Now let's take a look at property management system trends. As explained in "The Politic of PMS", Katison states that Unix is becoming more accepted in the hospitality industry. Unix enhances the communication technology available. This capacity allows properties to communicate easily between remote sites (Katison 54).

Many PMS packages are currently written for a Unix environment. Some of those that are not currently written for a Unix environment may be in the process of being rewritten (Katison 34).

### Executive Information Systems

An executive information system (EIS)
is a user friendly system typically used by the
management of a property to assist in making
informed business decisions. The system
consolidates information from all areas of the
property (Katison 34).

The major functional areas usually included in an EIS system are: front office, back office, food and beverage, retail outlets, inventory, purchasing and human resources. This information can be downloaded to ASCII files each night after the nightly audit is complete. This information can then be automatically loaded into the EIS, ready for the management team that arrives the next morning (Katison 34).

Katison states in big bold letters: "The ultimate goal of the EIS system is to provide up-to-date information for executives to base decisions on, and to lower or eliminate the amount of paper

distributed throughout a property (35)".

parameters. These parameters are compared to the budget to determine what percentage or level is acceptable for achieving the specified goals. The parameters can be different for each executive (Katison 35).

The typical EIS system uses a graphic user interface with color codes to demonstrate the areas requiring attention. For example, problem areas may be a bright red color; an area just beginning to enter the low end of the defined parameters may be yellow; and green areas producing within the budget. By using this system, a user may define problems at a glance (Katison 35).

EIS systems are typically graphic user interface, "point and click" technology. To operate the EIS system, the majority of commands are executed with a mouse (Katison 35).

Finally, as stated above, the ultimate goal is to give information to executives in order to

make decisions and to reduce to amount of paperwork within the property (Katison 35).

### Forth-Generation Language

Katison explains that many software vendors in industry have begun to use a "fourth generation language," commonly call 4GL, within the software packages. A 4GL is a language that is meant to be user-friendly. This enables the average user to be able to create and maintain specific reports and inquiries. It is not required that the user be a "programmer" in the true sense of the word (Katison 35).

By using a 4GL, users are able to maintain and use database functionality. This allows the users to sort the database based on the specific requirements of each individual. For example, if person "A" needed mailing labels by zip code and person "B" needed mailing labels by alphabetical order, each would create his own report to print the

specific information (Katison 35).

Some of the current 4GL packages available today are Progess, Informix, Focus, and Ingres.

These packages, along with many others, offer the flexibility these executives need-- a user friendly programming language (Katison 35).

### Automation Changes

Katison explains that some changes currently underway in the industry are moving toward automated check-in through the use of credit cards. The objective is to allow the guest to use a credit card to charge his or her stay, and as a room key. This can be achieved through "guest training" and with an extremely user-friendly system. By automating the check-in process, the property could reduce the number of front-desk agents or redirect them to other duties. In addition to automating the check-in process, portable computers are being used as check-in terminals. This allows the property to

have terminal anywhere on the property (Katison 35).

In the next chapter, I have selected a few hotels and described what hotel operators or executives evaluate before implementing a PMS. I thought by selecting a few hotels, this would help validate the reasons, in general, how hotel operators choose their PMS systems. The discussion thus moves from a rather broad overview as presented above to a more specific look at individual hotels.

## Chapter III

### Specified Research

This chapter will explore the role of information technology found in a sampling of hotels. Information technologies are extremely important in today's large hotels' operation, but, surprisingly, little has been written on this subject. I have managed to find a few articles with solid information.

#### Hyatt Hotels Corporation

One of a hotel's most expensive purchases is a PMS, therefore the selection process is extremely important. To get an understanding of what hotels look for when purchasing a PMS, <a href="Hotel & Motel">Hotel & Motel</a>
<a href="Management">Management</a> queried a cross-section of MIS personnel.

Victor Vesnaver, director of hotel services for Chicago-based Hyatt Hotels Corp., said, "From Hyatt's point of view, since we are a full-service hotel company, we need a great deal of functionality. We want to compile and have easy access to guest-history information, have messaging capabilities, frequent-traveler program data and interfaces to a number of different hotel systems (Selwitz 33)."

Vesnaver said the functions can also include keeping track of the housekeeping status of each room, so that at check-in, the guest service agent can determine which rooms are clean and which rooms are dirty (which, Vesnaver said, can be difficult to findle, especially for a large hotel).

Vesnaver emphasized that any PMS must meet
the real needs of a property's size. "In a small
hotel without an attached restaurant, you might have
to deal with a point of sale interface," he said.
"But since Hyatt usually offers multiple
restaurants, we have to be able to transfer the

restaurant bill to guest folios (Robert Selwitz 33)".

Essentially, Vesnaver is saying that he needs a PMS that can instantly shift the records of transactions (paperwork) from many points to the front office. This is where the customer picks up his final bill of sale and pays for it.

According to Vesnaver's analysis, what's absolutely critical -- and perhaps as important as the system's functions -- are the stability and longevity of both the software and hardware vendors:

"When you are installing systems at 100 or more hotels, you want to make sure the suppliers are healthy and will be around for a long time," he said. "These are the people who will provide program enhancements, as well as ensure that the health and integrity of the propertymanagement system you purchase will be maintained."

"One hears too many stories about software

companies that have come and gone out of business," Vesnaver said. "If that happens, you may find yourself dealing with software in escrow- which, under standard agreements, guarantees the software will be available even if the owner or creator is not- and then having to look for another source to provide the needed service (Selwitz 33)."

He explained that dealing with software in escrow can be a real hassle for non-technical people who may have to locate, and pay dearly for an expert who is- or who will train to become- knowledgeable about your program.

Vesnaver explains:

PMS purchasers must take a long view.

Remember, you'll want that hardware/software investment to grow and be enhanced-the software we're running today is not the software we were running three years ago.

You've got to be able to take advantage of new technologies as they become available.

Otherwise, several years after the original purchase, you may find yourself behind competitors who have more current functionality. (Selwitz 33)

Vesnaver says, in so many words, that you should not look for basement bargains because the equipment may be at the end of its life cycle, thus the reason for the low price. He goes on to say that he must look for parts that will be available in five years. Lastly, Vesnaver said, "What all this requires of those making a PMS buy decision is that they must be technically adept and a bit of a crystal-ball reader (Selwitz 33)."

The Hyatt has an IBM 4381 mainframe that had been running it customer reservation system since

1982. However, according to an article in Computer

World written by Ellis Booker, the Hyatt Hotels

Corp. changed their PMS over to four Unix-based

processors from AT&T in 1990.

The Hyatt changed their PMS for several reasons. According to John Biggs, Hyatt's senior vice-president of accounting and administration,

"The technologists were intrigued with Unix, but from a business standpoint, what it gives us is flexibility (Selwitz 33)."

For Gordon Kerr, Hyatt's vice-president of MIS, the issue was one of productivity.

Specifically, the chance to use fourth generation development. With an older IBM transaction processing system in use at Hyatt, Kerr said, "You need three to four years of experience to be productive.. but only one or two years with a 4GL".

Kerr said he assumes his support cost will drop from the current \$7 million to \$8 million per year level. "I expect that by making this change we'll realize 20% cost savings," he said. Note that Hyatt paid \$12 million for Unix (Ellis Booker 39).

#### Trump Plaza

The name of the game in the fantastic
mirrored casino in Atlantic City is staying ahead by
drawing the best cards. In the rather small
computer room and MIS offices off the back corridors
at Atlantic City's Trump Plaza Casino and Hotel, the
same theories apply.

In the New Jersey city by the sea, Trump's

35 member MIS department has nearly \$3 million to

spend annually on its hardware, software, and

staffing needs. It has young but experienced

players deciding which technologies to bet on now

and in the future.

According to Alan J Ryan's article in

Computer World in 1989, MIS Director Karl J.

Swanseen, 34, is responsible for keeping Trump Plaza ahead of the competition by making the Plaza's customers happy and keeping the company's computer users content.

Happy customers who have trouble-free

check-in and check-out or gamblers who have credit

lines ranging from \$500 to \$1 million approved in

minutes-- are more likely to spend their gambling

money where they get the best service. Swanseen's

job is to keep customers happy by giving computer

users the hardware and software they need to get

their jobs done. The task is becoming more

difficult as the Plaza's number of rated gamblers is

now 500,000 and continues to grow.

Mathew Milden, a college dropout, former parking lot attendant and self taught personal computer guru in now climbing the ranks in casinos throughout the city and has now become microcomputer manager at Trump Plaza at age 27.

For Swanseen, one way to retain employees such as Meldon is by giving the talented workers what they want: "Staying state-of-the-art is the one way to draw the best talent and keep the talent that you have (115)".

Trump's equipment will soon include three

IBM Application System/400 Model 60s that will

replace three IBM System/38s that are quickly reaching their limit. Each System/38 is dedicated to one of the Trump Plaza's main functions: a hotel system, a financial system and a casino system that is used to track and rate the gambling customers.

Meldon says the MIS strategy downplays

technological gamblers in favor of courteous

spending on proven technologies. The local

competition is tough because most of the casinos are

working on similar systems, so gaining the edge by

using computers more effectively than the other

hotel chains are important, he adds.

The Trump Plaza has many intricate systems and new technology. For instance, the Plaza has a credit card like Trump Card system, which allows gamblers at approximately 50% of the casino's slot machines to gain credit toward meal and rooms.

The technology involved for that is an old

Digital Equipment Corp. PDP-11 tied into slot

machines that have magnetic card readers built into

them. When the player wants to track his spending,

he can insert the Trump Card into the machine. The information passes through the PDP-11 to the System/38.

Still, other perks that the Plaza looks for when purchasing new technology is computers for in-house security. The Plaza has a Hewlett-Packard Co.

HP 9000 mid-range computer for their in-house security. Plaza employees are issued cards that act as time cards for hourly-wage employees, grant admittance to the cafeteria, where each employee receives free meals, and allow controlled access to various parts of the building.

One important thing that Meldon looks for in MIS is standardization. Nearly all of the PCs in the hotel are IBM made, Meldon says. The Plaza has standardized on IBM Personal System/2 Model 30s under Meldon's direction. "It is tough to standardize on PCs because everyone has used different systems that they think will be better for them. Some people want to use Apples, Meldon says.

But, by standardizing the MIS staff will be able to

more efficiently service users, he adds (Alan J.Ryan 115).

### Trusthouse Forte Hotels

According to Robert Selwitz's article in

Hotel & Motel Management, Myrna Horton, hotel

systems coordinator for Trusthouse Forte Hotels,

says that there are a number of critical criteria to

be considered when purchasing a PMS.

"First is simplicity of use," she said.

"Our users aren't impressed with

the intricacies of programs. Rather, what

they want is one keystroke activity in which

programmers attach a bunch of functions

together, so the user doesn't have to always

hit two keys and go through six menus to get

whatever he wants. Sometimes I get the

feeling that software companies feel that

the more complicated they can make their programs- the more impressed we are," Horton added. "But that's definitely not the case-our users are in a hurry" (33)

Then there is quick check-in, which requires the front desk agent to fill out a entire screen before he can check someone in, but all that information isn't always necessary particularly for a one-night stay. She also added that a long check-in program can translate into long waiting line. "I feel the decision about mandatory data required should be left to the hotel, not to the software company," she said.

dombine reservation and rate codes into separate market segments; have computer-based training with more content and less pizzazz, presented clearly and concisely for maximum comprehension; and the ability to interface with central reservations, call--accounting, phone switches, point of sale transactions, minibars and in-room movies.

Most important, Horton said, is 24 hour software support and on-site hardware support. "We obviously can't be in a situation where components in need of repair must be shipped off-site," she said. "It is mandatory to have contracted prices for on-site repair, no matter what time or what day it's needed (Selwitz 33)."

Furthermore, Horton said she likes systems that provide users with standard computer functions, such as basic word processing and accounting, so that communications and supply ordering, for example, can be handled on the same machine.

Finally Horton said she is concerned about
the overall cost of any PMS-cost being of
particularly concern to franchisees such as those of
Trusthouse Forte Travelodges (Robert Selwitz 33).

As we have seen, these three hotels have various reasons and reactions before selecting a PMS. From flexibility and functionality to cost, many hotels are taking into consideration what they

must look for before purchasing a PMS.

In Chapter IV, I will discuss the results of my investigations of how hotel operators or executives evaluate PMS systems before implementation by examining the Review of Literature In Chapter II, Part II, and the specified research in Chapter III.

## Chapter IV

### Results

Hotel operators and executives have many factors to examine before selecting a PMS. The basis for selecting a PMS before purchasing one are rather interesting because of the order in which they rank.

My research of many recent articles on hotel information technology suggest that most important criteria are "functionality" and "integration".

These two selections were prominently mentioned as well by almost all the hotel executives that I have cited. Opryland Hotel, Hyatt Hotels Corp., and Trump Plaza were among the hotels that identified functionality and, or integration as their number one priority before selecting a PMS.

Brian Katison, a writer for <u>Hotel and Motel</u>

<u>Management</u>, and Edmund Watkins, a writer for <u>Lodging</u>

<u>Hospitality</u>, also mentioned that functionality and,
or integration were among the main criteria for
hotel operators or executives before purchasing a

PMS

The second most important factors of many hotel operators or executives are the human aspects of the system and the simplicity of its use. Galen Collins, the assistant professor in the School of Hotel and Restaurant Management at Northern Arizona University, says that in selecting a system, you should consider the system's human aspects. Collins argues that the key to a successful PMS in the 90's will be the human factors. He points out that employees will reject systems that cause users to suffer from headaches, eye-strain, frustration, confusion, and anxiety (65).

Similarly, Myrna Horton, Hotel Systems

Coordinator for Trusthouse Forte Hotels, says her

number one criteria to be considered when purchasing

a PMS is "simplicity of use". Horton argues that

her users aren't impressed with the intricacies of

programs. They want simple keystroke maneuvers.

Her second choice was a system that would give her a

quick check-in. Users do not want waiting lines for

the guests. Efficient guest services are very important to Myrna Horton (33).

Lastly, but not least important, purchasing a system that would not become out-dated quickly emerges as the third most important criteria cited by hotel operators or executives. As we recall, Victor Vesnaver, director of hotel services for Chicago-based Hyatt Hotels Corp. said, "What's absolutely critical— and perhaps as important as the system's functions— are the stability and longevity of both the software and hardware vendors (33)".

Costs were mentioned as an important factor
by a few hotel operators or executives I spoke with,
but it was usually their last concern. I would
surmise that major hotel chains have enough revenue
to purchase a PMS even though some systems cost
millions of dollars. It must be cost affective for
hotel operators to purchase such an expensive
system. To summarize, the most important factor
before selecting a PMS was "functionality" and

"integration". Secondly, the human factors and simplicity of use was the next choice among the hotel operators or executives. Lastly, choosing a system that would stay in business for years to come, was approximately the third choice for executives.

The next chapter is "Discussion". Included, are interviews with hotel operators and executives. These professionals tell me what their number one priority is before selecting a PMS. As you will notice, their responses are very similar to what other hotel executives say in the previous chapters.

Chapter V

Discussion

I thought it would be informative to interview some local hotel executives to see what they find as the most important criteria in selecting a property management system. There are similarities and differences to my research findings.

# Adam's Mark

My first interview with Harry Leip of Adam's

Mark Hotel located in downtown St. Louis is

memorable. Harry Leip is a young executive for HBE

(Hospital Building & Equipment) which is the parent

company to Adam's Mark. His actual title is Systems
Support Specialist. Leip's job is to make sure
users can operate and maintain the system's software
basically as intended. He supports Guest Services
over everything.

Leip states that his number one priority

before selecting a PMS would be one that fulfills

the accountants' functions as needed. Leip explains

that one reservation equals one account.

Accountants need to track numerous accounts and then

give these reports to the sales or marketing

department. They need to know who are the customers

and from where do they come.

Secondly, Leip wants hardware and software that does not keep the guests waiting. He states that the response time is essential to hotel operations. Leip says Adam's Mark is currently using the IBM Series I. He claims that his mainframes will be obsolete in ten years; they are much bigger and slower than P.C. based networks.

Leip says that mainframes have pretty high

maintenance and require a lot of parts.

Lastly, Leip says integration and functionality would be his last criteria.

All in all, Harry Leip's criteria are the same as my findings except in which order they rank. Response time from a PMS came in second while integration and functionality came in third. However, an original request that a PMS meet accountants' needs came in first as the number one priority. I find that this is very logical since hotels used to work with Service Bureaus as mentioned in Chapter II, Part II. Now that back office functions are currently a part of front office activities, I would surmise that the data processing functions of payroll, accounting, etc. need to be enhanced along with other front office program features.

# Future Technologies

I asked Harry Leip what we could expect to

that Internet would become very popular and the users would hook them up to modems in their hotel rooms. Leip says that global communications will be the future for information technologies. He also stated that once the fear is gone, business people will be doing more and more teleconferencing in hotels to where they could be linked up to as many as twelve hotels in a meeting room. Lastly Leip explains that you will be able to have access to more laser printers in hotels because of the demand from business people. Leip says he is very excited about the future technologies to come.

### Radisson Hotel

My next interview with Jan Burke of the
Radisson Hotel in Clayton, Missouri is also
informative and answers questions regarding
information technologies. This Radisson is owned by

Bemiston-Corondelet Corporation. The hotel features
190 rooms and suites. It is known around town for
its heart-shaped Jacuzzis which are in the honeymoon
suites.

Jan Burke is the Front Desk Manager and supervises the entire front office staff, CSR's (Customer Service Representatives), reservation department, the bell staff, and a lot of the accounting department. Burke has twenty-two years experience in the hotels.

Burke explains that the software is provided by CLS (Computerized Lodging Systems) and the hardware in conjunction is provided by NCR. Burke informs that the hotel will be changing computer systems within the next three years. The reason for this, Burke explained, is that Radisson, as a world wide chain, have a very intricate reservation system in Omaha, and one of their main criteria for a system is its interfacing capacity because it saves a lot of time. Burke is seeking a system that will save a lot of work time

for reservation staff-by avoiding time consuming operations.

Burke agrees with the research findings on the order in which systems are ranked. She says, secondly, a system has to be totally user-friendly. CSR's have to be able to understand how to operate the system so they don't become frustrated- so it does not have to be manually driven.

When asking Burke if she looks for people with computer experience to run them, she said, "Not really— if they can type forty words per minute, if they can learn the system, and they are customer service oriented, then the details of it can be worked out— providing you have a system that is user-friendly."

Lastly, Burke says she agrees with the third priority in the selection process, choosing a system that would not become outdated. She says you need to have a back-up - a staff that is readily available if you have a problem. Your business keeps continuing on and if you have a problem in the

system, you have to have good support. It has to be a reputable company that's been around so they can service the system for you.

Burke says she has twenty-four hour maintenance service. The hotel has a modem and the company can actually dial right into the system and correct any problem. The longest that the system has been down (off line) in five years, other than a power outage, is five minutes, Burke related proudly.

Burke's last comments were about response time. A lot of times, Burke explains, you find yourself waiting and it is an awkward situation when you're dealing with the guests standing there when computers and the hotel are really busy and it's taking a long time to feed information back to you. It can slow down your check-in time. On really heavy check-in days, Burke says they do a lot of precheck-ins on guaranteed reservations. CSR's prekey them so that when the customers come to check in, all they have to do is imprint the credit card

and send them on their way. CSR's can put the credit card number, expiration date, and everything else in the guest record after they have left the desk.

Burke talks about other features the hotel has to offer. She says they have the keyless lock system. Burke says she can program the door lock to accept the guest's credit card and they can use their credit card as the doorkey. The good thing about the system, Burke explains, when the CSR makes the key and if there was an entry into the room, the security is so great, management can go up and read out the lock, and it will give up to the last one hundred entries. Burke says this feature is nice because one can actually show the guest the read out on the lock if they have any doubt that someone has entered the room. Burke says a lot of travelers are interested in security, especially female travelers today. The keys can be made for one night only and after 1:00 p.m. the next day, the key is invalid, Burke concluded.

To summarize, Harry Leip of the Adam's Mark says his number one priority in the PMS selection process is a system that meets the needs of accountants. Secondly, Leip is concerned about response time in future hardware/software systems. He acknowledges Myrna Horton's feelings about long waiting lines. Lastly, Leip says integration and functionality would be his third priority.

On the other hand, Jan Burke agrees with my research findings and ranks the priorities in the selection process precisely in the same order. Both interviews, in my opinion, were intriguing and interesting because they were from two professionals in different hotel chains with various opinions and information.

To summarize my thesis, I have discussed Hotel Front Desk Management and touched on these areas: personnel of the front office, managing front office personnel, and how management deals with guest complaints.

I have also explored the role of information technologies from various articles and texts in order to give an idea of what a good management system would be and where it can be found. As we have discussed, many hotel executive or operators must select the most important criteria in searching for a PMS for their hotels. According to my research findings, the most important criteria for the selection process rank in this order:

"functionality" and "integration", human factors and simplicity of use, and choosing a system that will stay in business for years to come.

For future research on information

technologies and hotel management, I would suggest

reading Hotel and Motel Management, Hotel and

Restaurant Administration Quarterly, and the

Hospitality Education and Research Journal.

Students interested in Hotel Management my visit

their local or college libraries to inquire about

the periodicals above.

I would also suggest a course in Word

Processing for students interested in the hospitality industry. Word processing is an essential part of business in the hotel industry and a minimum typing speed of 40 words per minute is suitable for many hotel chains.

End

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