

Operations management of the hotel industry



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With the increasing sophistication of hotel guests and patrons, the continual improvement of hospitality services towards the attainment of unparalleled excellence in the business remains the only edge the hotel has to sustain its position if not attain the leadership in the industry. By adopting the ISO 9001: 2008 framework, the acculturation of a learning organization into the consciousness of each employee of the hotel shall provide the impetus to strive and be better in providing service to hotel guests and patrons. A Quality Management System or QMS will govern the conduct of each of the hotel's front liners. The QMS shall also provide the parameters for quality service while performance monitoring of each of the processes shall be through the process' key performance indicators. Any flaw or parameter that fails to satisfy the accepted threshold of the performance indicator shall be subject to a root cause analysis to determine a corrective or preventive solution. The QMS requires regular review to ensure that the organization remains focus and faithful to its objective. The hotel employee's performance shall be subject to evaluation by using the key performance indicator's root cause analysis. For QMS, the hotel guest's or patron's feedback, comment or opinion is accorded greater weight as it will not only change how the hotel will conduct its business but it will equally show how the hotel value their guest's and patron's point of view with regard to the hotel's operation.

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Introduction

Revenue in a Hotel business shall anchor on two factors, namely: (1.) level of occupancy or guest traffic that includes patrons to its facilities, and (2.) Efficiency and Quality of its services (Cornell University, 2010). Thus, among other industries in the world, the Hospitality industry remains dependent on the market pulse and good business sense. Good business sense refers to the operation strategy and business strategy that would result to operation efficiency and quality service.

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The marriage of technology and human ingenuity are very much apparent in the hotel industry by deploying an Enterprise Resource Planning system. As applied to the hotel industry, it would ensure excellent customer experience from their reservation up to their next visit. The deployment of a Customer Relationship Management System would ensure that all issues are addressed and monitored and shall similarly ensure that the business is properly guided on how to become customer centric. However, technology will not work on its own as its success will be dependent on the employees who use the system and those who will execute the work instructions recommended by the system.

A framework that will capitalize on the strength of the employee enabled by technology shall be the onus of this paper. The sole purpose of which is to ensure the customer focused operation of the hotel while practicing processes that feed on continual improvements to manage the bottom line. Using these strategies, Leadership in the industry and profitability should not be far behind.

METHODOLOGY

The valuable discussions in Operation Management have been the inspiration by this writer to seek out more knowledge in pursuit of excellence. Thus, it led to the discovery that the concepts presented herein have been in existence for some time, and various authors not only wrote extensively on the subjects but they have exhaustively been part of its continual improvement so to speak. Capitalizing from the experiences of these management gurus and the erudite deliberation in Operations

Management this author therefore recommend a more comprehensive examination of the Hotel's Customer Service.

Using the ISO 9001: 2008 Quality Management System framework, this author shall discuss the merits and wisdom of its implementation in this paper in support of the Hotel's operation and primordial goal. It is ideal to implement the quality management system in all the processes of the Hotel to ensure that there will be no gap that can dissuade if not prevent the Hotel from being the center for customer service excellence. The ISO 9000 Quality Management System have previously been regarded as applicable only to the manufacturing industry since it normally refers to the quality in the creation of a product. However, in ISO 9001: 2008 Quality Management System the word " product" can alternately refer to as " service"[1]. The hospitality industry has long been recognized a service-oriented industry (Ramaswamy). Its main product is unlike any other industry since its product is the service provided by the hotel employees. The quality metrics of hospitality service is equal to the amount of satisfaction of each customer multiplied by the number of customer over a period of time.

THE HOTEL

The hotel is a five star hotel that is highly profitable and popular privately owned located in the center of an international city with a high level of tourist traffic, particularly international tourists. It boasts of a two hundred fifty suites, two dining rooms, one of which offers a standard menu and seats three hundred people while the other seats only a hundred but it offers discriminating a la carte choices for an upscale market. The hotel also has two cocktail bars; one that is publicly accessible from the streets while the

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other is for hotel guests only however both are open to guests and non-guests alike.

The hotel is home to three kitchens, with the two serving the two dining rooms while the third serves the three function rooms rented for parties, weddings, conferences and other similar events. The function rooms seat fifty, two hundred and one thousand, respectively while each function room can have their own bars if required. The hotel similarly provides other facilities that would include a swimming pool, gym, sauna and a car park with one hundred and fifty private bays.

The hotel employs both permanent full-time and part-time contract workers. Each area has its own supervisor, with qualified and experienced managers overseeing the supervisors for the respective departments. As indicated, not only does the hotel enjoy a modest profit from its operation, it boasts of a decent amount of guest and patron traffic from its hotel and facilities operation.

Design

Designing a particular type of service impacts the hotel's customers to enrich their stay or their hospitality experience is a practical application of this concept as described by Slacks and Johnston in 2004. To illustrate: the design process in the formulation of a process that will provide returning guests with discounted rates if they return during the off-peak or lean days will ensure occupancy during the lean months and expand marketing exposure.

Supply

Raw materials used as ingredients to hotel food are sensitive to spoilage and contamination thus it is important to manage its handling from delivery, storage and inventory. The release of the goods from storage should be strictly enforced and implemented through proper tagging and warehousing strategy. To illustrate; Meat products can last for a certain period through refrigeration but must also consider volatility and seasonality to its supply. The system predicting the usage of the hotel base on its routine consumption and the scheduled events shall either place an order or forego an order automatically and later implement First-in-first-out in the warehouse with the use of the inventory tag.

Planning

Planning within the context of the hospitality industry often relates to Business Planning. Case in point, the hospitality business is sensitive to the time of the year particularly its occupancy. From July to August is normally the time when air travel is at its busiest due to the summer vacation in the United States and some countries. Hotels outside the United States that are vacation destinations of Americans are at its busiest. However, during the lean months, when occupancy is at its lowest, hotel managers and administrators' creativity are normally put to test.

To illustrate a viable business strategy during the lean months is to pre-sell the room through discount cards. The concept is to sell discount cards at a price of one or two nights' stay that will be availed only during the lean months. Modest discounts may be availed by cardholders including the facilities or services offered by the Hotel. The card shall expire within one

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year from its issuance to give the hotel the opportunity to sell continuously the unoccupied hotel rooms during the lean months.

Shop-floor control

Shop floor strategies include Job and shift Scheduling, housekeeping, Process improvement and increasing process efficiency in the context of providing quality service. ISO 9001: 2008 has closed the gap between a tangible product and service that both demand quality. According to the system, the best way to ensure quality service is to identify focus areas, then to provide measurable targets that are congruent with the focus areas' goals.

The environment

Some hotels realize their impact to the environment of the local community and as part of their strict adherence to their corporate conscience social responsibility often adopts a sound environmental management system. Not only would this comply with the international initiatives regarding environmental concerns but in practice, this will also respond well to its corporate social responsibility initiatives.

Technology

The use of technology to lower the cost of operation through the automation of processes and increase the security at the hotel is a strategy that does not normally provide a tangible and visible result overnight. To illustrate: Supply Chain Management as envisioned is a technology driven strategy that will ensure that raw materials used as ingredients for food do not spoil or do not get contaminated.

The strategy requires inventory immediate tagging in each delivery. By providing secure keys to every guest, a hotel management system would be able to adjust the room temperature and the Air Handling Unit load depending on the rooms that have activated keys. Using the secure keys inserted in its slot will enable the system to determine the additional load needed for the air conditioning requirement instead of the Air Handling Unit continuously operating even without any guest inside is a waste of energy.

The Hotel's CUSTOMER SERVICE

The hotel's customer does not start becoming a customer when he finally pays the initial down payment for a room or service, he does not start becoming a customer at the instant he shows up at the hotel's premises or orders his first drink from the bar. A guest or patron starts becoming a customer as soon as he says the first word to any of the hotel's staff, telemarketer or even parking attendant or valet (Borsenik & Stutts, 1997). Ergo, all aspects of the hotel's operation almost concern itself with customer service. Customer service is not merely providing the hotel's service to the guests or patron, it is making sure that the customer is satisfied and fulfilled in the usage of the facilities including their encounter with the hotel's staff (Michelli, 2008). Therefore, all processes that will affect the customer directly or indirectly are customer service providing processes.

To illustrate the reservation clerk represents the hotel as its first liner when the customer called in to reserve a room or book the one of the services of the hotel. A pleasant conversation would result to immediate booking and a not so pleasant conversation is the loss of a potential client. The interaction with the valets or the parking attendants may be the second encounter of

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the hotel with its customer. The next would be the door person, the front desk, the concierge, the room boy, the hotel cleaners and then floor security for hotel guests. While for those partaking and enjoying the services of the Hotel would be entertained from the door person by the receptionist and then the floor manager or the facilities attendant. The guests would then be interfacing next with the waiters if they were at the bar or restaurant, the lifeguard for the swimming pool and fitness instructor for the gym and sauna.

To illustrate the indirect service providers in the Hotel that ensures not only the satisfaction of the guests or patron they themselves are responsible for the behind the scene hospitality experience. These would include the kitchen staff that would include the chef and those responsible for preparing the food. The engineer that ensures the temperature of the pool and the gym is optimal or the safety engineer monitoring the safety levels at the sauna, the hallway and lobby temperature. The indirect service providers also include the cashiers that provide the correct change and charges, the security guards that ensures the safety of the guests and the surrounding. This also includes the janitorial staff that ensures the health of the guests by making the immediate surrounding garbage or dirt free.

The processes that govern the operation and performance of the customer interaction of the services provided as described shall be the focus of the Quality Management System framework of ISO 9001: 2008 (International Organization for Standardization, 2008). Aligning with the Vision, Mission, Values and Strategy of the Hotel the Quality Management System framework will allow the Hotel to define its own Quality Mission Statement that states <https://assignbuster.com/operations-management-of-the-hotel-industry/>

the personality of the hotel. Each of the processes followed or implemented by the process owners as described above that interacts with the Hotel's guests, patrons or customers, in general, shall be covered by the Quality Mission Statement.

Juxtapose with the Quality Missions Statement aligned processes, Key Result Areas will be developed will remain the targets of the processes. The Key Result Areas should be customer centric and should work towards the attainment of the best hospitality experience of the guests or patrons as provisioned by the Hotel. In order to measure the success of the process owners in achieving their key result areas, metrics in the form of key performance indicators for each process are to be developed.

To illustrate: The valet service is often neglected by most Hotels but its importance and the opportunity it presents to save the Hotel's image from the customer's bad experience from the services of the hotel is precious being the last process the customer has to go through before leaving the hotel. The possible key result area for the valet services could be the immediate return of the guest's vehicle to him. The key performance indicators could be the amount of time it will take the valet to retrieve the car and return it to the owner. The idea would be the shorter the amount of time it takes to retrieve the car the more satisfied the customer would be.

CUSTOMER SERVICE Challenges

Cultural Sensitivities

The primary challenge in any customer service is the differences in the personality or origins of the guests. Cultural sensitivities often create friction

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between the service provider and the customer. To illustrate: in the west shaking the head from side to side often means no, however in some culture particularly the Indian culture it means yes.

Gender and Other Sensitivities

At times, being chivalrous is being sexist while being helpful to people with disabilities is being offensive. A balance and clear criteria are should be studied depending on the area where the Hotel is located so as not to compromise quality service with sensitivities.

Summary

The hospitality industry has evolved from an industry that only provided board and lodging to transient travelers in the previous century to an actual destination that offers a myriad of services to weary travelers and to vacation and relaxation seekers. The Quality Management System as enabled by technology should provide the edge to the hotel in terms of managing its bottom line from the business perspective while also providing the framework in determining the best way to service its guests and patrons. The Quality Management System therefore will equally define the customer centric culture of the hotel geared towards providing the best, if not one of the best hotel experience to its guests.

The continual improvement concept of the Quality Management System will engender excellence in the very fiber of the hotel's staff. The key performance indicators shall provide the metrics to gauge the efficacy of the process including the performance of its employees. The root cause analysis

as well as the development of the corrective and preventive solution is essential to the concept.

One of the virtues of ISO 9001-2008 Quality Management System is that it would let the hotel develop its own Quality Management framework as derived from the hotel's unique culture. The hotel shall not only reflect its personality but it shall be the driving force towards excellence in customer service. The commitment to customer service as driven by the Quality Management System shall therefore be personal not only for the organization, but also for the individual employees.