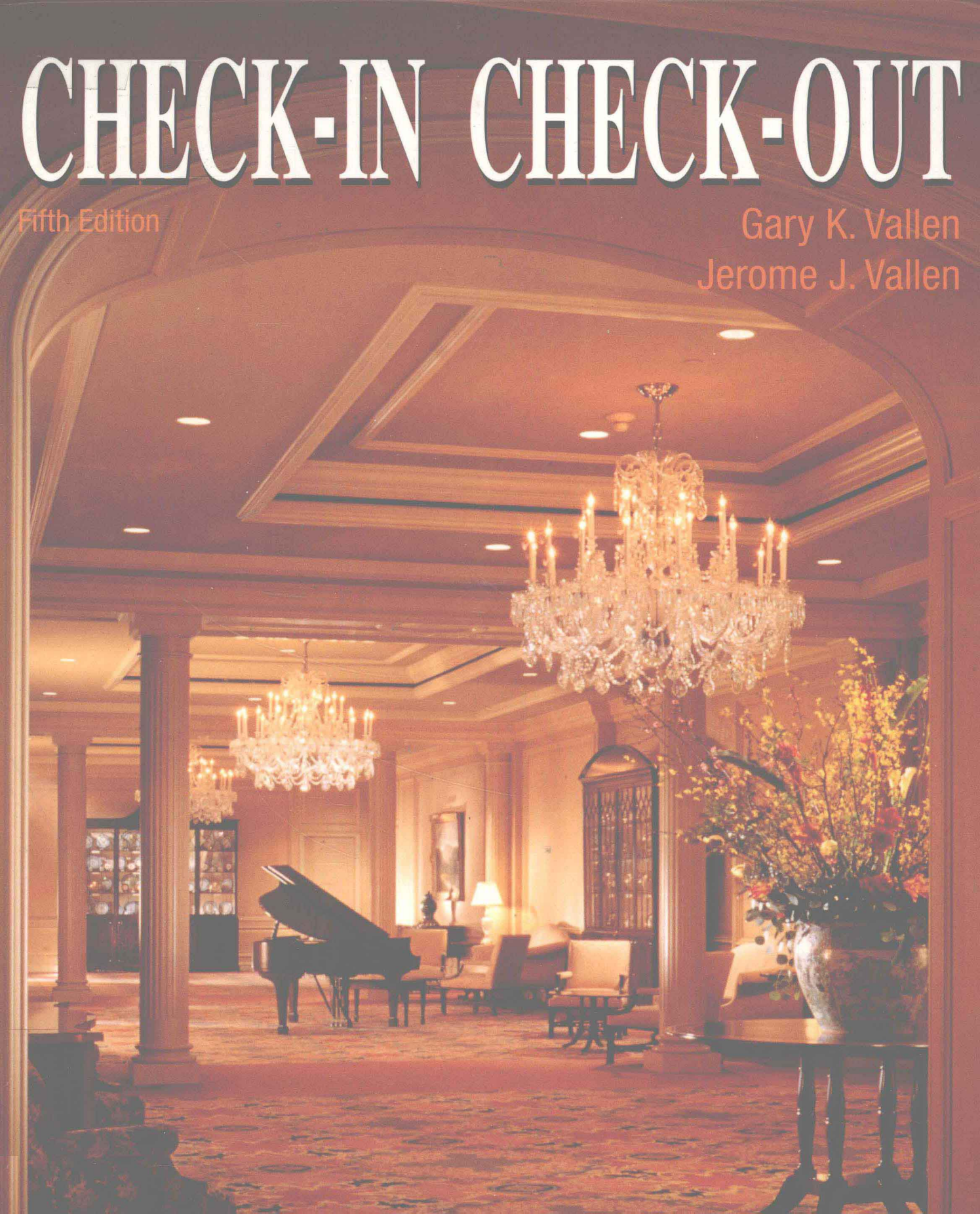


# CHECK-IN CHECK-OUT

Fifth Edition

Gary K. Vallen  
Jerome J. Vallen



**FIFTH  
EDITION**

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# Check-In Check-Out

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**PRENTICE HALL**

**Upper Saddle River, New Jersey 07458**

Published by Prentice-Hall, Inc. Upper Saddle River, New Jersey 07458

CHECK-IN CHECK-OUT

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This book is printed on acid-free paper.

2 3 4 5 6 7 8 9 0 DOW/DOW 9 0 9 8 7

Executive editor: *Kurt L. Strand*  
Associate market manager: *Heather L. Woods*  
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Designer: *Matthew Baldwin*  
Cover photo: *Hedrich Blessing, Chicago, Illinois*  
Manager, graphics and desktop services: *Kim Meriwether*  
Compositor: *Wm. C. Brown Publishers*  
Typeface: *10/12 Times Roman*  
Printer: *R. R. Donnelly & Sons Company*

**Library of Congress Cataloging-in Publication Data**

Vallen, Gary K.

Check-in check-out/Gary K. Vallen, Jerome J. Vallen--5th ed.

p. cm.

Includes bibliographical references and index.

1. Hotel management. 2. Motel management. I. Vallen, Gary K.

II. Title

TX911.3.M27V352 1996

647.94'068—dc20

95-11079

*Printed in the United States of America*

2 3 4 5 6 7 8 9 0 DOW 2 1 0 9 8 7

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To fathers and sons who work together

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# Preface

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Hotelkeeping is a resilient business. Three thousand years of survival and growth testify to its adaptability and to its capacity to accommodate an ever-changing marketplace. The interplay between the hotel industry and its environment is ongoing. Many events, as diverse as ecotourism and the collapse of the real estate market, have had an impact on the hotel business since the last edition of the text. In those brief four years, the front office has undergone amazing technological changes and traumatic organizational restructuring. *Check-In, Check-Out* has kept pace with five major revisions in 21 years!

## ***Not Just a Front-Office Book***

In this edition, as in previous ones, the authors give special attention to innkeeping's interdependence with other industries. There is information about franchising, sections about credit cards, and part of a chapter dealing with telecommunication. Legal issues, safety and security, employee scheduling, and more are discussed where appropriate throughout the book.

The text presents this material at an undergraduate level, even as it serves as a reference book on the shelves of many hotel managers. *Check-In, Check-Out* has been the leader in rooms management education for over two decades. It has also been a tool for on-the-job training. It has been used at both two-year and four-year institutions as a front-office book, an introductory book, a source book, and an enrichment for hotel accounting courses. Such flexibility is possible because each edition is current, complete, and thorough.

## ***Changes in the Fifth Edition***

Good front-office management blends an understanding of operational tasks with an awareness of concepts and theory. Recognizing this, each edition of the text has treated both the how-to (completing a reg card, for example) and the wherefore (yield management, for example). Edition five continues this tradition by updating



the front office's mechanical elements (computerized folios, for example) and developing its management rationale (quality assurance, for example).

In keeping with the high standard of past revisions, an extensive rewrite has been carried out. Some highlights of the new edition are listed for the user's review.

- NCR posting machines, billing, and related information have been deleted from the text, paralleling their disappearance from the industry.
- Quality assurance has grown to a full chapter from its previous appearance in Chapter 3 because the concept, presaged by earlier editions, has been widely adopted.
- Figures and photographs have been added, updated, and improved.
- Chapters have been reorganized within a new framework in a continuing effort to better synchronize the chapter flow with the guests' record flow.
- Only brief references to racks (room racks, reservation racks, and information racks) have been retained because racks have been replaced almost entirely with property management systems.
- Guest billing and accounting chapters have been restructured to accommodate the nonaccountant without diminishing the importance of accounting to a better managed property.
- Rather than positioning statistics in one chapter, this edition places the elements at strategic points within the other chapters, adding immediate relevancy to the discussion.
- Numerous changes that previous editions foreshadowed have been tracked and updated, including self-registration consoles, the use of television/ computers in operations, and integrated reservation systems worldwide.
- The credit chapter has been enlarged to include master accounts, travel agencies, frequent-travel programs, and coupon payments as well as the general management of credit.
- Some discussion of the manual (hand) night audit remains as a basis for understanding the audit, but detailed, numerical, pencil procedures have been replaced with property management systems and their computerized audits.

### **Supplemental Materials**

As past users of *Check-In, Check-Out* know, an *Instructor's Manual* adds to the convenience of using the text. In this supporting manual, the faculty member will find guidelines to the use of the book, including alternative academic calendars, and a summary of each chapter's contents. Questions for each chapter and for each unit are provided for those who need ideas for building examinations. A complete final examination is included. It contains objective-style questions, short-answer problems, and brief essays.

Each chapter of the text is followed by questions. These can be used as homework assignments, additions to examinations, or as classroom discussions. The *Instructor's Manual* includes suggested answers to the text questions, although some are designed merely to encourage classroom discussion.

Although the glossary, bibliography, and detailed, cross-referenced index are not truly supplemental (they are included in the text), they do represent an immense amount of enrichment material available for the faculty member's use.

## **Acknowledgements**

The authors acknowledge with great appreciation the numerous comments, notes, memorandums, and observations that a variety of colleagues from many institutions have provided us. Their input has helped us replace a wrong formula, identify typographical errors, and correct misspellings.

The previous edition of the book was reviewed by several individuals. Their suggestions have been incorporated in this edition. Thanks to Denny Rutherford, Washington State University; Ed Bushaw, Jefferson Community College; Jesse Clemons, State Technical Institute at Memphis; Nancy Cook, Newbury College; David Howell, ITHRA, Niagara University; and Susan Sheridan, University of Houston.

## **Who Are the Authors?**

It is not unusual for a professional text to be coauthored. However, it is rare that the two authors are father and son. Jerry Vallen, the father, launched the book in 1974. Gary Vallen, the son, pursued several degrees and a dozen years in hotel management before becoming a joint author of the fourth edition. In this edition, he steps forward as the lead author.

**Dr. Gary K. Vallen.** Gary K. Vallen is Associate Professor in Hotel Management at Northern Arizona University. He joined the faculty there after 12 years in the industry in a variety of jobs: hotel manager, casino dealer, sales manager, and financial analyst. He has been a field representative for a ski magazine, and he worked in private clubs.

Dr. Vallen received his undergraduate degree in Hotel Administration at the University of Nevada, Las Vegas. Despite the long hours of industry, he simultaneously worked and earned an MBA degree at the University of Nevada, Reno. Later, after entering the field of education, he was awarded the EdD degree with an emphasis in hospitality management from Northern Arizona University.

The author has a consulting business with several specialties, including visitor analysis for festivals, fairs, rodeos, and ski slopes. He has developed criteria and carried out enumerable secret shopper evaluations for hotels and restaurants. His location in the southwest has enabled Dr. Vallen to consult with many Native American groups, including the Hopi and Navajo. He is also well known for his work in rural tourism.

**Dr. Jerome J. Vallen.** Jerome J. Vallen was the founding Dean of the College of Hotel Administration, University of Nevada, Las Vegas, and served in that capacity for 22 years. He now is a permanent faculty member at UNLV and holds that college's William F. Harrah Distinguished Chair. Following retirement from administration, he spent several terms at two universities in Australia and then became the Founding Dean of the Australian International Hotel School, Canberra, an affiliate of the School of Hotel Administration, Cornell University.

After earning a baccalaureate degree at Cornell University, Jerome Vallen entered the hotel industry, carrying with him the food experience gained from the family's small chain of four restaurants. For a period of several years, Vallen taught and worked in industry. Dr. Vallen also earned a master's degree in Educational Administration (St. Lawrence University) and a doctoral degree from Cornell's Hotel School.

Dr. Vallen has authored and edited several texts, including a text in hotel management and a work on the legal basis for obtaining gaming licenses in the state of Nevada. He has served as a consulting editor for textbook publishers, a consultant to the U.S. Department of Commerce, an outside examiner for the University of the West Indies, president of a consulting company, and a member of the board of several public and private companies.

Dr. Vallen has been the recipient of awards from such diverse groups as the University Alumni Association, The National Restaurant Association, and the Educational Institute of the American Hotel & Motel Association. Dean Vallen has served as President and Chairman of The Council on Hotel, Restaurant, and Institutional Education and was awarded that organization's prestigious H. B. Meek Award. He is listed in the American biography, *Who's Who In the West*, and has been cited in the *Congressional Record*.



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# Contents in Brief

## SECTION I

### The Hotel Industry

- 1 The Traditional Hotel Industry 2
- 2 The Modern Hotel Industry 25
- 3 The Structure of the Hotel Industry 54

## SECTION II

### The Reservations Process

- 4 Reservation Data 86
- 5 Making and Taking the Individual and Group Reservation 108
- 6 Forecasting Availability and Overbooking 134

## SECTION III

### Guest Service and Rate Structures

- 7 Managing Guest Service 160
- 8 The Guest Arrival Process 186
- 9 Factors in the Room Rate 214

## SECTION IV

### The Hotel Revenue Cycle

- 10 Billing the Guest Ledger 248
- 11 Cash Transactions 278
- 12 Credit and the City Ledger 314

## SECTION V

### Rooms Management Technology

- 13 The Night Audit 348
- 14 Property Management System Interfaces 378

Glossary 415  
Bibliography 427  
Index 431

# Contents

## SECTION I

### The Hotel Industry

#### 1 The Traditional Hotel Industry 2

|                                               |    |
|-----------------------------------------------|----|
| The Scope of the Industry                     | 3  |
| A Look Back                                   | 3  |
| Palaces of the People                         | 3  |
| The Service Culture                           | 5  |
| What Is the Hotel Business?                   | 5  |
| How Hotels Count and Measure                  | 5  |
| Occupancy                                     | 6  |
| Sales per Occupied Room                       | 6  |
| Special Characteristics of the Hotel Business | 7  |
| Perishability                                 | 7  |
| Location                                      | 7  |
| Fixed Supply                                  | 8  |
| High Operating Costs                          | 8  |
| Seasonality                                   | 8  |
| Traditional Classifications                   | 9  |
| Size                                          | 9  |
| Motels                                        | 10 |
| Mom-and-Pops                                  | 11 |
| Class                                         | 11 |
| Average Daily Rate (ADR)                      | 11 |
| Full Service to Limited Service               | 11 |
| Number of Employees                           | 12 |
| Rating Systems                                | 12 |
| Worldwide                                     | 13 |
| The U.S. Experience                           | 14 |
| Type                                          | 15 |
| Commercial Hotels                             | 15 |
| Residential Hotels                            | 15 |
| Resorts                                       | 18 |
| Plan                                          | 19 |
| European Plan                                 | 19 |

|                        |    |
|------------------------|----|
| American Plan          | 20 |
| Modified American Plan | 20 |
| Continental Plan       | 20 |
| Summary                | 23 |
| Queries and Problems   | 23 |
| Notes                  | 24 |

#### 2 The Modern Hotel Industry 25

|                                                    |    |
|----------------------------------------------------|----|
| A New Array for Lodging                            | 26 |
| Marketing Patterns                                 | 26 |
| Marketing to the Group                             | 27 |
| Marketing to the Individual                        | 32 |
| Ownership/Financing Patterns                       | 33 |
| Decades of Turmoil: State of the Industry          | 33 |
| Ownership Alternatives                             | 35 |
| Management Patterns                                | 38 |
| Growth of the Chain                                | 38 |
| The Management Contract and the Management Company | 39 |
| The Franchise                                      | 41 |
| Referral                                           | 42 |
| A Segmenting Industry                              | 43 |
| Segmentation of the Product Line                   | 43 |
| The Economy Hotel                                  | 43 |
| All-Suite Hotels                                   | 45 |
| The Casino Hotel                                   | 46 |
| Other Hotel Segments                               | 47 |
| Segmentation of the Customer                       | 48 |
| The Guest Profile                                  | 48 |
| Nonguest Buyers                                    | 49 |
| Frequent-Guest Programs                            | 50 |
| Amenities                                          | 50 |
| Summary                                            | 52 |
| Queries and Problems                               | 52 |
| Notes                                              | 53 |

### 3 The Structure of the Hotel Industry 54

- The Organizational Structure 55
  - The General Manager 55
  - The Support Departments* 57
  - Food and Beverage Department* 57
  - The Hotel Manager 57
  - Housekeeping* 57
  - Uniformed Services* 58
  - Telephone* 59
  - Other Departments* 59
- The Structure of the Front Office 60
  - What Is the Front Office? 60
  - Managing Rooms and the Front Office* 60
  - Design of the Front Office 66
    - The Lobby* 66
    - The Desk* 67
  - Working Hours of the Front Office 69
    - The Shift (or Watch)* 69
    - Forecast Scheduling* 70
- The Building Structure 70
  - The Old versus the New 71
    - The Old: Inside Rooms* 71
    - The New: Suites and All-Suites* 71
    - The Corner Room* 74
  - Numbering for Identification 75
    - Floor Numbering* 75
    - Room Numbering* 76
  - Room Shape and Size 77
    - Room Shape* 77
    - Room Size* 77
  - Bed and Bath 78
    - The Bath* 79
    - Beds and Their Symbols* 79
- Summary 82
- Queries and Problems 82
- Notes 83

## SECTION II

### The Reservations Process

#### 4 Reservation Data 86

- Reservation Data 86
  - Basic Reservation Content 87
    - Essential Information* 87
    - Nonessential Information* 89
  - Acknowledging the Reservation 90

- Storing and Filing the Reservation 91
    - The Manual Filing System* 91
    - The Computerized File* 93
  - Altering an Existing Reservation 93
    - Advance Deposits* 93
    - Cancellations* 95
  - Linking the Reservation with the Front Desk 96
    - Special Coding* 96
  - Determining When to Deny the Reservation 99
    - Yield Management in Theory 99
      - Yield Management Factors* 100
      - Forecasting* 103
    - Yield Management in Practice 104
      - Expert Systems* 104
      - Rules and Triggers* 105
  - Summary 106
  - Queries and Problems 107
- ### 5 Making and Taking the Individual and Group Reservation 108
- Making and Taking the Reservation 108
    - Who Makes the Reservation? 109
      - First-Person Contacts* 109
      - Second-Person Contacts* 109
      - Third-Person Contacts* 111
    - Who Takes the Reservation? 111
      - In-House Reservation Center* 111
      - Central Reservations System* 111
      - The Hotel Representative* 114
      - Independent Reservation Services* 115
    - How the Reservation Is Made 116
      - Voice Recognition* 116
      - Facsimile Machines* 117
      - Personal Computer Subscription Services* 117
      - The Electronic Switch* 117
  - Accommodating the Group Reservation 121
    - The Importance of Group Business 122
      - Refusing Group Bookings* 123
      - Reasons for Accepting Group Business* 125
      - Types of Group Business* 126
    - Managing the Convention Reservation 128
      - The Blanket Reservation* 128
      - Overflow Hotels* 128
    - Refining the Count 128
      - The Unidentified Conventioneer* 129
      - The IT Package* 130
    - Convention Rates 130
      - Comp Rooms* 130
      - Rate Quotes* 130

|                                     |     |
|-------------------------------------|-----|
| Housing Bureaus                     | 131 |
| Handling the Tour Group Reservation | 131 |
| Summary                             | 132 |
| Queries and Problems                | 132 |
| Notes                               | 133 |

## 6 Forecasting Availability and Overbooking 134

|                                           |     |
|-------------------------------------------|-----|
| Forecasting Availability                  | 134 |
| Simple, Unadjusted Approach to Room Count | 135 |
| <i>Historical Tracking Systems</i>        | 135 |
| <i>Computer Tracking Systems</i>          | 136 |
| <i>A Simple Room Count</i>                | 138 |
| Adjusted Room Count Projections           | 139 |
| <i>Rooms Available in the Hotel</i>       | 139 |
| <i>Rooms Occupied</i>                     | 141 |
| <i>Stayovers Today</i>                    | 141 |
| <i>Today's Reservations</i>               | 143 |
| <i>Utilizing the Room Count Forecast</i>  | 145 |
| Overbooking                               | 149 |
| Hotel Policies                            | 149 |
| <i>Antiservice in Overbooking</i>         | 149 |
| <i>A Legal Contract</i>                   | 149 |
| <i>The Threat of Legislation</i>          | 150 |
| Possible Solutions                        | 152 |
| <i>Industry Standards</i>                 | 152 |
| <i>Third-Party Guarantees</i>             | 154 |
| <i>Advance-Deposit Reservations</i>       | 155 |
| Summary                                   | 156 |
| Queries and Problems                      | 156 |

## SECTION III

## Guest Service and Rate Structures

### 7 Managing Guest Service 160

|                                       |     |
|---------------------------------------|-----|
| A Brief History of Quality Management | 161 |
| Quality Management in Manufacturing   | 161 |
| Quality Management in Innkeeping      | 162 |
| What Is Quality Management?           | 163 |
| Quality Management Defined            | 164 |
| <i>The Buyer's View</i>               | 164 |
| <i>The Seller's View</i>              | 165 |
| <i>The Authors' View</i>              | 168 |
| Quality Management Denied             | 168 |
| <i>Who Knows Why?</i>                 | 169 |

|                                        |     |
|----------------------------------------|-----|
| Implementing Guest Service             | 169 |
| Measures of Guest Service              | 170 |
| <i>Moments of Truth</i>                | 170 |
| <i>Quality Control</i>                 | 171 |
| Quality Guarantees                     | 172 |
| <i>Americans with Disabilities Act</i> | 173 |
| Complaints                             | 174 |
| <i>Still Another Calculation</i>       | 175 |
| <i>Preventing the Complaint</i>        | 175 |
| <i>Handling the Complaint</i>          | 179 |
| Summary                                | 183 |
| Queries and Problems                   | 184 |
| Notes                                  | 184 |

### 8 The Guest Arrival Process 186

|                                       |     |
|---------------------------------------|-----|
| The Guest Arrival Process             | 186 |
| First Impressions                     | 187 |
| <i>Valet Parking Attendant</i>        | 188 |
| <i>Doorperson</i>                     | 188 |
| Guest Registration                    | 189 |
| <i>Blocking the Room</i>              | 189 |
| <i>The Registration Card</i>          | 190 |
| Completing the Registration           | 197 |
| The Room Selection Process            | 198 |
| <i>Selecting Rooms to Block</i>       | 198 |
| <i>The Room Assignment</i>            | 198 |
| <i>Room Assignment Variations</i>     | 199 |
| <i>Self-Check-In Terminals</i>        | 201 |
| Establishing Guest Credit             | 202 |
| <i>Obtaining Guest Identification</i> | 202 |
| Rooming the Guest                     | 204 |
| Goodwill Ambassadors                  | 204 |
| <i>Guest Communication</i>            | 205 |
| <i>Training</i>                       | 206 |
| The Bell Department                   | 207 |
| <i>Rotation of Fronts</i>             | 207 |
| <i>Duties of the Bell Staff</i>       | 208 |
| <i>The Rooming Slip</i>               | 210 |
| Summary                               | 212 |
| Queries and Problems                  | 212 |

### 9 Factors in the Room Rate 214

|                                               |     |
|-----------------------------------------------|-----|
| Factors in Determining Room Rate              | 214 |
| Discounting the Rack Rate                     | 215 |
| <i>Discounted Rates</i>                       | 216 |
| <i>Complimentary Rates</i>                    | 221 |
| <i>The Day Rate Room</i>                      | 222 |
| <i>Senior-Citizen and Related Discounts</i>   | 223 |
| <i>The Negative Perception of Discounting</i> | 224 |
| Additional Variations of the Rate             | 224 |
| <i>Premium Rates</i>                          | 225 |
| <i>Double Occupancy</i>                       | 225 |

|                                       |     |
|---------------------------------------|-----|
| <i>Quoting Convention Rates</i>       | 226 |
| <i>Time Is Money</i>                  | 227 |
| <i>Arrival Time</i>                   | 227 |
| <i>Departure Time</i>                 | 228 |
| <i>The American Plan Resort</i>       | 229 |
| Determining the Rate                  | 230 |
| Rate Calculations                     | 231 |
| <i>The Hubbart Room Rate Formula</i>  | 231 |
| <i>The Building Cost Rate Formula</i> | 234 |
| <i>The Ideal Average Room Rate</i>    | 236 |
| Additional Rate Components            | 238 |
| <i>The Competition Component</i>      | 239 |
| <i>Up-Selling at the Front Desk</i>   | 239 |
| <i>Elasticity of Demand</i>           | 242 |
| <i>Bed Taxes</i>                      | 244 |
| Summary                               | 245 |
| Queries and Problems                  | 245 |
| Notes                                 | 246 |

#### SECTION IV

### The Hotel Revenue Cycle

#### 10 Billing the Guest Ledger 248

|                                          |     |
|------------------------------------------|-----|
| Accounts Receivable                      | 249 |
| Types of Accounts Receivable             | 249 |
| <i>The Ledger</i>                        | 249 |
| <i>What Is and Isn't Accounted For</i>   | 250 |
| <i>Recording Charges</i>                 | 250 |
| <i>Debits and Credits</i>                | 250 |
| The Individual Account Receivable        | 253 |
| <i>Location of the Folio</i>             | 253 |
| <i>Number of Folios</i>                  | 253 |
| Posting the Charges                      | 257 |
| Overview of the Billing Procedure        | 258 |
| <i>Preparation of the Folio</i>          | 258 |
| <i>Communications</i>                    | 260 |
| Charges or Debits                        | 262 |
| <i>Understanding the Line of Posting</i> | 263 |
| <i>Getting the Posting on the Folio</i>  | 263 |
| Payments or Credits                      | 267 |
| <i>Allowances</i>                        | 267 |
| <i>Transfers</i>                         | 271 |
| Summary                                  | 276 |
| Queries and Problems                     | 276 |
| Notes                                    | 277 |

#### 11 Cash Transactions 278

|                                                  |     |
|--------------------------------------------------|-----|
| Cash Transactions                                | 278 |
| Paid-outs                                        | 279 |
| <i>Tips to Employees</i>                         | 279 |
| <i>Cash Loans</i>                                | 281 |
| <i>Paid-Outs to Concessionaires</i>              | 282 |
| <i>Refunds at Check-Out</i>                      | 283 |
| Receipts                                         | 284 |
| <i>Cash Receipts at Check-Out</i>                | 284 |
| <i>Cash Receipts on Account</i>                  | 284 |
| <i>Reservation Deposit Receipts</i>              | 286 |
| House Receipts and Expenses                      | 287 |
| <i>Assorted City and General Ledger Receipts</i> | 287 |
| <i>Assorted House Paid-Outs</i>                  | 288 |
| The Cashier's Daily Report                       | 289 |
| Preparing the Cashier's Report                   | 289 |
| <i>The Cashier's Bank</i>                        | 289 |
| <i>Net Receipts</i>                              | 290 |
| <i>Over or Short</i>                             | 293 |
| <i>Cashier Turn-In</i>                           | 294 |
| <i>Due Bank</i>                                  | 295 |
| The Income Audit                                 | 296 |
| <i>Paying Off the Due Back</i>                   | 298 |
| <i>Paying Off the House Vouchers</i>             | 298 |
| <i>Package Coupons</i>                           | 299 |
| <i>Foreign Currency</i>                          | 299 |
| Cash and Cash Equivalents                        | 302 |
| Counterfeit Currency                             | 303 |
| <i>Detecting Counterfeit Currency</i>            | 304 |
| Check-Cashing Safeguards                         | 304 |
| <i>Procedures for Minimizing Fraud</i>           | 306 |
| <i>Traveler's Checks</i>                         | 311 |
| Summary                                          | 312 |
| Queries and Problems                             | 313 |

#### 12 Credit and the City Ledger 314

|                                            |     |
|--------------------------------------------|-----|
| The City Ledger                            | 315 |
| Major Categories of the City Ledger        | 315 |
| <i>Credit Cards</i>                        | 315 |
| Other City Ledger Categories               | 322 |
| <i>Late Charges</i>                        | 322 |
| <i>Delinquent Accounts</i>                 | 323 |
| <i>Executive Accounts</i>                  | 323 |
| <i>Due Bills</i>                           | 323 |
| <i>Standard City Ledger Accounts</i>       | 324 |
| Managing Credit                            | 326 |
| A Cost-Benefit Decision                    | 326 |
| The Management Function                    | 327 |
| <i>Extending Credit to Arriving Guests</i> | 327 |
| <i>Monitoring Credit</i>                   | 332 |
| <i>Collecting Receivables</i>              | 324 |

|                                        |     |
|----------------------------------------|-----|
| The Mechanics of the Entry             | 335 |
| Transfers from Guest Folios            | 335 |
| <i>Travel Agency Records</i>           | 336 |
| <i>Frequent-Guest Programs</i>         | 339 |
| Transfers to Guest Folios              | 340 |
| <i>Advance Deposits</i>                | 340 |
| City Ledger Postings without Transfers | 340 |
| <i>Manual Charge Slips</i>             | 341 |
| <i>Electronic Draft Capture</i>        | 342 |
| Summary                                | 344 |
| Queries and Problems                   | 344 |
| Notes                                  | 345 |

## SECTION V

### Rooms Management Technology

#### 13 The Night Audit 348

|                                        |     |
|----------------------------------------|-----|
| The Auditor and the Audit              | 348 |
| The Night Auditor                      | 349 |
| <i>Work Shift</i>                      | 349 |
| <i>General Duties</i>                  | 349 |
| The Audit                              | 350 |
| <i>Reconciling Accounts Receivable</i> | 350 |
| <i>The Closeout Hour</i>               | 350 |
| <i>Posting Charges</i>                 | 351 |
| <i>Recap of Revenue Data</i>           | 354 |
| The Property Management System         | 362 |
| The Transcript's PMS Equivalent        | 363 |
| <i>Closing Routine</i>                 | 363 |
| <i>Express Check-Out</i>               | 364 |
| <i>PMS Posting Errors</i>              | 364 |
| Reports from the Night Audit           | 365 |
| <i>Turnkey Systems</i>                 | 365 |
| <i>Kinds of Reports</i>                | 366 |
| <i>Reservation Reports</i>             | 368 |
| <i>Rooms Management Reports</i>        | 369 |
| <i>Accounts Receivable Reports</i>     | 373 |
| <i>Report to the Manager</i>           | 374 |
| Summary                                | 376 |
| Queries and Problems                   | 377 |

#### 14 Property Management System Interfaces 378

|                             |     |
|-----------------------------|-----|
| The Call Accounting System  | 378 |
| Interface Technology        | 379 |
| <i>Uniform Connectivity</i> | 379 |

|                                             |     |
|---------------------------------------------|-----|
| History of Hotel Telephone Services         | 380 |
| <i>Historical Pricing Distinctions</i>      | 381 |
| <i>Historical Billing Procedures</i>        | 382 |
| What Happened after Deregulation            | 384 |
| <i>First Option—Status Quo</i>              | 384 |
| <i>Section Option—Install CAS Equipment</i> | 384 |
| <i>Third Option—Shop the Competitors</i>    | 385 |
| WATS                                        | 387 |
| Later Developments                          | 388 |
| <i>Alternative Operator Services</i>        | 388 |
| <i>Other Telephone Considerations</i>       | 389 |
| Guest-Room Locking Systems                  | 391 |
| Room Key Distribution                       | 391 |
| <i>Levels of Access</i>                     | 392 |
| <i>The Guest-Room Key</i>                   | 392 |
| <i>The Failsafe Key</i>                     | 383 |
| <i>The Maid or Pass Key</i>                 | 394 |
| <i>The Master Key</i>                       | 396 |
| <i>The Emergency Key</i>                    | 397 |
| <i>Servicing Keys and Locks</i>             | 397 |
| Types of Locking Systems                    | 399 |
| <i>Standard Mechanical Doorlocks</i>        | 399 |
| <i>Nonelectronic Locking Systems</i>        | 400 |
| <i>Electronic Locking Systems</i>           | 401 |
| Other Common Interfaces                     | 403 |
| Prior to the Interface                      | 403 |
| <i>Degradation</i>                          | 403 |
| <i>Synergy</i>                              | 403 |
| <i>Cost-benefit</i>                         | 404 |
| <i>Has It Been Done before?</i>             | 404 |
| Other PMS Interfaces                        | 404 |
| <i>Point-of-Sale</i>                        | 404 |
| <i>Energy Management</i>                    | 405 |
| <i>Supplemental Guest Services</i>          | 406 |
| Guest-Operated Interfaces                   | 407 |
| <i>In-room Safes</i>                        | 407 |
| <i>In-room Minibars</i>                     | 408 |
| <i>In-room Entertainment Systems</i>        | 409 |
| <i>Fire-Safety Systems</i>                  | 410 |
| <i>Smart Codes</i>                          | 412 |
| Summary                                     | 413 |
| Queries and Problems                        | 413 |
| Notes                                       | 414 |

|              |     |
|--------------|-----|
| Glossary     | 415 |
| Bibliography | 427 |
| Index        | 431 |



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## SECTION I

# The Hotel Industry

The lodging industry is maturing rapidly. It has aged more in the past 20 years than it did in the previous 2,000 years. The changes seen over the past two decades all suggest the same premise: a successful hotel or chain must remain flexible and adaptable to an evolving society.

Changing travel patterns have matured the lodging industry as much as any other societal impact. The highway hotels of yesteryear have become the airport hotels of today. And as guests speed across the sky traveling from New York to London in minutes instead of days, so too are major lodging chains speeding across cultural differences and establishing international subsidiaries at a faster rate than ever before.

Heterogeneity is another characteristic of a maturing industry. When the Model T Ford was first introduced, the customer had only three choices of color: black, black, or black. Today, there are many more colors as well as literally hundreds of automobile models to choose from. The lodging industry has had a similar history. In the homogeneous marketplace of the 1950s and 1960s, all hotel rooms had identical features, but this has given way to the enormous variety of lodging products of the 1990s. These lodging products have been designed to attract an increasingly diverse and sophisticated traveler. One visitor books a standard room; another buys a full-service suite. One customer needs a single night; another an extended stay. One traveler returns to the corporate hotel; another to the attractions of the resort.

Another proof of maturation of an industry is the presence of a continuous restructuring of ownership and competitive advantage. Independent and mom-and-pop lodging operations, the backbone of the hotel business several decades ago, are becoming less and less significant as they are eclipsed by giant lodging chains. Even small hotel chains of 5,000 to 10,000 rooms are quickly absorbed by megachains that boast upwards of 200,000 rooms under their brand affiliation. Yet this is a boon for banks and lending institutions, who were hurt by the industry's downturn in the 1980s; they are returning with anticipation as they seek new loans and financial opportunities in the renewed and burgeoning hotel industry.

# The Traditional Hotel Industry

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## Chapter Outline

|                                               |    |
|-----------------------------------------------|----|
| The Scope of the Industry                     | 3  |
| A Look Back                                   | 3  |
| Palaces of the People                         | 3  |
| The Service Culture                           | 5  |
| What Is the Hotel Business?                   | 5  |
| How Hotels Count and Measure                  | 5  |
| Special Characteristics of the Hotel Business | 7  |
| Traditional Classifications                   | 9  |
| Size                                          | 9  |
| Class                                         | 11 |
| Type                                          | 15 |
| Plan                                          | 19 |
| Summary                                       | 23 |
| Queries and Problems                          | 23 |
| Notes                                         | 24 |

Hotelkeeping is a historic industry with an open-ended future. It has survived and flourished throughout centuries of change. Whereas other industries have come and gone, innkeeping has adapted its traditional services to the demands of modern life. The present-day hotel evolved from the relay houses of China, from the khans of the Middle East, from the tabernas of Rome, from the road houses of Europe, and from the taverns of America. The industry has emerged from this rich cultural background with a special place in society. Today, hotelkeeping is an integral part of tourism's worldwide boom, a major player in the global outreach of business, and a continuing presence in the social, political, and cultural life of the community.

## The Scope of the Industry

Mass travel is a modern phenomenon.<sup>1</sup> Historically, travel was a rarity because transportation was limited and individuals were neither economically nor politically free to move about, but advancements in means of transportation as well as expansion of economic and political freedom has been occurring over the past 200 years. Modern means of transportation have emerged from the industrial and electronic ages. Subsequent political and economic freedoms have helped to shape the modern travel industry.

### A Look Back

Early guests shared their accommodations with strangers and often set their own rate of payment. Hotels remained small for thousands of years—rarely exceeding three-dozen rooms. Such small establishments were adequate for the times because guests arrived singly on camel, horse, or by stagecoach, all of which held only a few people. It took the steel of the Industrial Revolution to build upward, the finances of the corporate form of business to fashion the large-scale enterprise, and the size of modern transportation to carry the guests.

The modern hotel, with its exciting architecture (see Exhibit 1-1), has to some become a destination in itself—but that wasn't always the case. The historical role of innkeeping has been one of response, intended to provide services along the traveler's route. So long as the traveler's course, method of transportation, and travel time were restricted, there was no need to differentiate the inn. This was true even for the highway motels that dominated the American scene from the 1950s to the 1980s.

For 5,000 years, even the ultimate destination was predetermined. So innkeepers located themselves along the traveler's path and waited for the call for service. The range and quality of accommodations reflected the innkeeper's inclination, not the needs of the guests.

Providing shelter and an opportunity to rest from bone-wearying travel was the major service of the early inns. Food and lodging were the basic products then, even as they are today. Tomorrow may be another story altogether—it may bring an era in which the hotel's basic goods and services will be something other than food and shelter.

### Palaces of the People

Many magnificent hotels were built in America between the Civil War and World War I. Serving guests from all walks of life, these hotels truly reflected the uniqueness of American democracy. The hotels of the era served as home and office, meeting site and social gathering place. Calling these American inns *palaces* was a play on the size and splendor of the structures as well as on the more restricted use of hotels by the aristocracy in Europe.

The word *hotel* appeared in London about 1760, and it began to be used in the United States some three decades later. It was Anglicized from the French *hotel garni*, “large, furnished mansion.” The name change signaled a worldwide shift from an industry based on roadside accommodations to one located within the city.