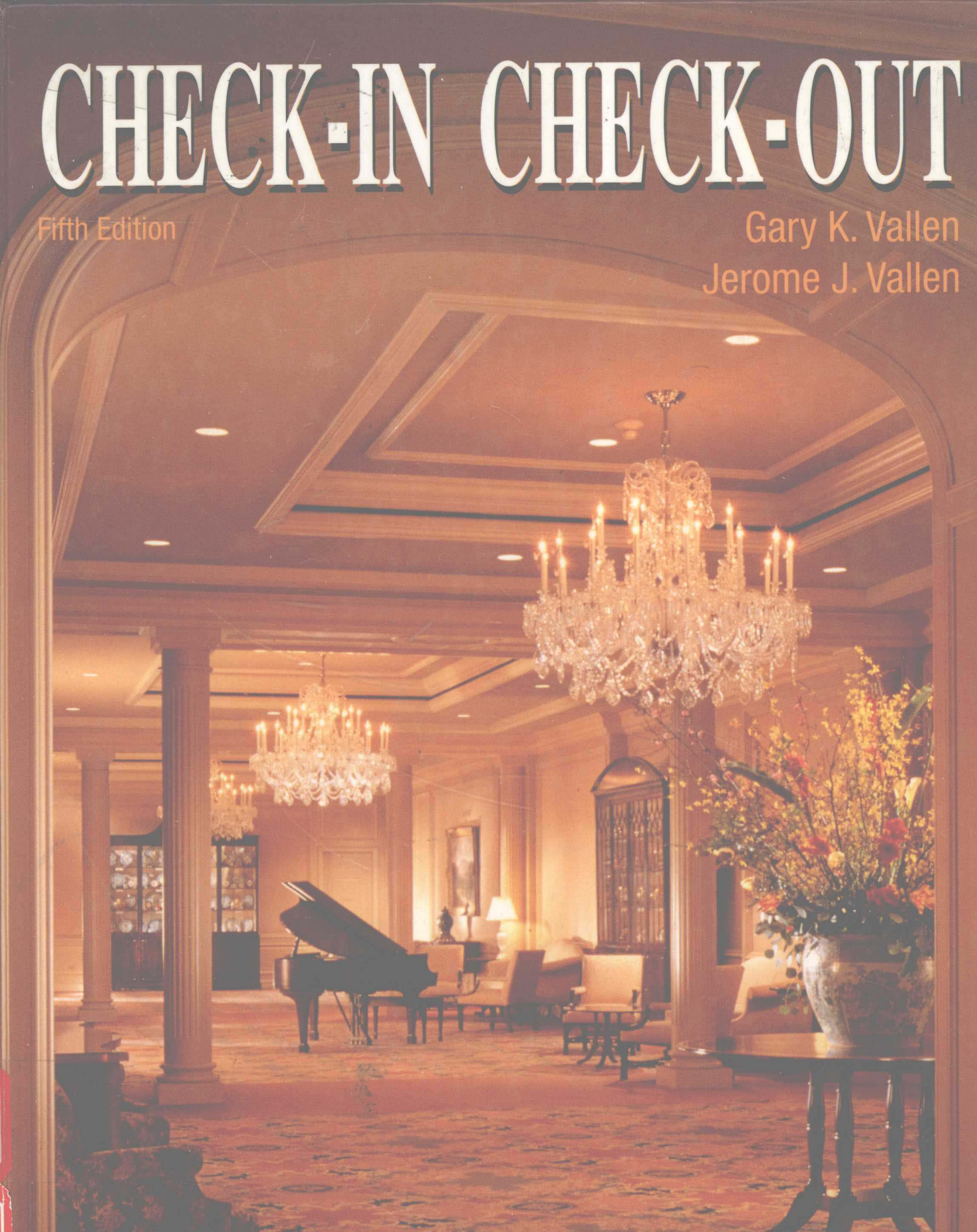


CHECK-IN CHECK-OUT

Fifth Edition

Gary K. Vallen
Jerome J. Vallen



**FIFTH
EDITION**

Check-In Check-Out

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Northern Arizona University

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Australian International Hotel School

IRWIN

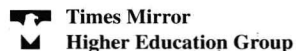
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To fathers and sons who work together

Preface

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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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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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.¹ 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.