

Chapter 12 Outline

Management Functions
 Planning
 Organizing
 Coordinating
 Staffing
 Leading
 Controlling
 Evaluating
Establishing Room Rates
 Market Condition Approach
 Rule-of-Thumb Approach
 Hubbart Formula Approach
 Planned Rate Changes
Forecasting Room Availability
 Forecasting Data
 Forecast Formula
 Sample Forecast Forms
Budgeting for Operations
 Forecasting Rooms Revenue
 Estimating Expenses
 Refining Budget Plans
Evaluating Front Office Operations
 The Daily Operations Report
 Occupancy Ratios
 Rooms Revenue Analysis
 The Hotel Income Statement
 The Rooms Schedule
 Rooms Division Budget Reports
 Operating Ratios
 Ratio Standards
Planning for Disasters
Summary

Competencies

1. Describe the management process in terms of the functions front office managers perform to achieve organizational objectives. (pp. 421–424)
2. Explain how managers establish room rates, and identify special room rate categories. (pp. 424–435)
3. Apply the ratios and formulas managers use to forecast room availability. (pp. 435–444)
4. Explain how front office managers forecast rooms revenue and estimate expenses when budgeting for operations. (pp. 444–450)
5. Describe how managers use various reports and ratios to evaluate front office operations. (pp. 450–464)
6. Explain what front office managers can do to plan for disasters. (pp. 464–465)