

HRIM-381
Module 13

Module 13 Goals

- Discussion of Sales Income Control
- Prevention of Theft

Yours is a Very Bad Hotel

A graphic complaint prepared for:

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General Manager

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Front Desk Manager

DoubleTree Club Hotel
2828 Southwest Freeway
Houston, Texas

*In the Early Morning Hours of
November 15, 2001, at the DoubleTree Club
Houston, We Were Treated Very Badly Indeed.*

- We are Tom Farmer and Shane Atchison of Seattle, Washington.
- We held guaranteed, confirmed reservations at the DoubleTree Club for the night of November 14-15.
- These rooms were held for late arrival with a major credit card.
- Tom is a card-carrying Hilton HHonors Gold VIP...
- Yet when we arrived at 2:00am... *we were refused rooms!*

*Refused Rooms... Even When We're
"Confirmed" and "Guaranteed"?*

- Mike, your Night Clerk, said the only rooms left were off-limits because their plumbing and air-conditioning had broken!
- He'd given away the last good rooms three hours ago!
- He'd done nothing about finding us accommodation elsewhere!
- And he was deeply unapologetic!

Quotations from Night Clerk Mike

"Most of our guests don't arrive
at two o'clock in the morning."

-- 2:08 am, November 15, 2001
*Explaining why it was
OUR fault that the DoubleTree Club
could not honor our guaranteed reservation*

*We Discussed With Mike the Meaning of
the Term "Guarantee."*

guar·an·tee (g r n-t), *n.*

- Something that assures a particular outcome or condition: *Lack of interest is a guarantee of failure.*
- A promise or an assurance, especially one given in writing, that attests to the quality or durability of a product or service.
- A pledge that something will be performed in a specified manner.

(Save this for your future reference.)

Mike Didn't Much Care.

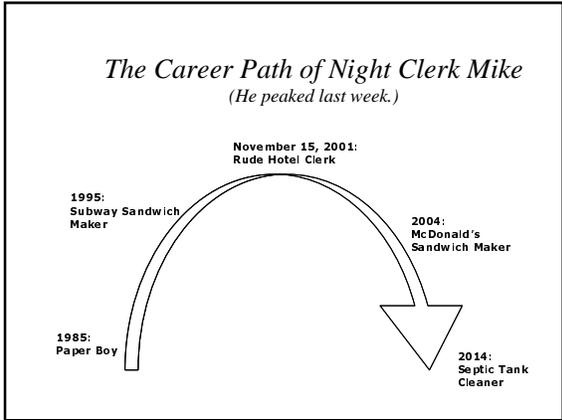
- He seemed to have been betting that we wouldn't show up.
- When we suggested that the least he should have done was line up other rooms for us in advance... Mike bristled!

Quotations from Night Clerk Mike

"I have nothing to apologize to you for."

-- 2:10 am, November 15, 2001

*Explaining why we were wrong
to be upset that our "guaranteed"
rooms weren't saved for us*



Mike Wasn't Too Optimistic About Finding Us a Place to Sleep.

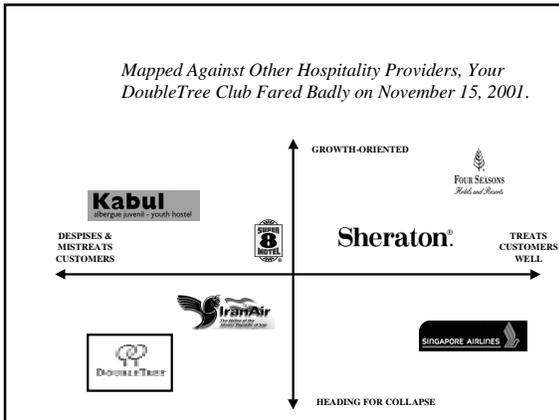
- 2:15 in the morning is a heck of a time to start looking for two spare hotel rooms!
- Mike slowly started dialing around town.

Quotations from Night Clerk Mike

“I don't know if there ARE any hotel rooms around here... all these hotels are full.”

-- 2:12 am, November 15, 2001
Just starting to look for alternate accommodation for us, even though he'd filled his own house up by 11:00pm

Mapped Against Other Hospitality Providers, Your DoubleTree Club Fared Badly on November 15, 2001.



Mike Finally Found Us Rooms Here.



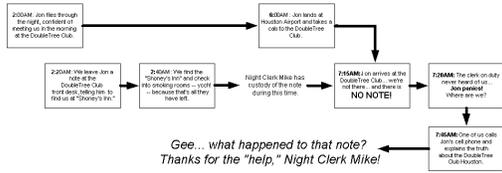
- Shoney's Inn & Suites is a **dump**.
- It is six miles further away from downtown Houston, which makes a difference in morning rush-hour traffic.
- Had we wanted to stay at Shoney's, we would have called them in the first place.
- We could only get smoking rooms.

The Experience Mike Provided Deviated from Usual Treatment of an HHonors Gold Member.

Expected HHonors Gold Member Benefits	Actual Benefits Provided by DoubleTree Club 11/15
Confirmed reservation	Ignored reservation
Upgraded room when available	No room available
Free continental breakfast	Free confusing directions to shabby alternate hotel
HHonors points <i>plus</i> frequent-flyer miles	Insolence <i>plus</i> insults

Even After We Left the DoubleTree Club, Our Troubles Weren't Over, as This Timeline Shows.

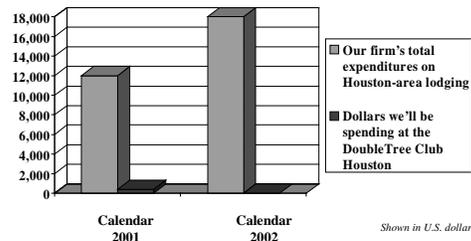
Jon, a colleague, was arriving in Houston on an overnight flight and coming to join us at the DoubleTree Club first thing in the morning. As we had to go stay elsewhere, we wrote Jon a note and left it in care of Mike the Night Clerk.



We Are Very Unlikely to Return to the DoubleTree Club Houston.

- Lifetime chances of dying in a bathtub: **1 in 10,455**
(National Safety Council)
- Chance of Earth being ejected from the solar system by the gravitational pull of a passing star: **1 in 2,200,000**
(University of Michigan)
- Chance of winning the UK Lottery: **1 in 13,983,816**
(UK Lottery)
- Chance of us returning to the DoubleTree Club Houston: **worse than any of those**
(And what are the chances you'd save rooms for us anyway?)

Revenue Lost to the DoubleTree Club Houston as a Result of our November 15 Incident



*We'll Be Sending This Presentation
to Promus Properties.*

- And to some friends.
- We hope they'll share it with *their* friends!
- If you'd like a hard copy, email us at:
BearX220@hotmail.com.
- Good luck!
- And give our best to Mike!

Standard Income & Guest Check Control Systems

- We need to know what our expected income for a given period of operation should be, and measure against actual receipts
- Control systems to accomplish this must be: measurable, flexible, acceptable and cost-effective
- Guest check control systems and bottle sales value systems are at the heart of this process

Assessing Standard Income

- Standard Income is defined as the amount of income expected after the totaling of all amounts recorded on individual guest checks for a given period. ***(This assumes that all issued guest checks are accounted for)***
- Reliability is driven by servers/cashiers following strict standards/procedures when processing individual guest checks.
- Level of technology drives the procedures

Features of Manual Guest Check Systems

- Before f & b items can be produced servers provide kitchen/bar with requisition slips or “dupes”
- This allows for routine guest check audits
- Orders must be written in pen, mistakes crossed out , not erased. Changes to check totals should be initialed by management.

Control Issues: Manual Guest Check Systems

- Guest checks must be unique to property
- Order checks with logos, and sequential numbers
- Unused, unissued checks should be securely stored
- Maintain a guest check issue log
- Managers & employees must treat checks like cash !
- Penalties may be assessed when checks are lost, depending on wage and hour laws in your jurisdiction
- Random audits of individual servers across shifts help to maintain control

Features of Automated Guest Check Systems

- Many systems allow for use of pre-printed, numbered checks, why is this ?
- System creates an open check file which contains data on: serial number , server ID, time check was opened, menu items ordered, prices of items, taxes, and total amount due.
- Most systems have a pre-check terminal where servers can add to guest check by merely entering the check number or table number
- Newer systems may eliminate traditional guest checks altogether and provide electronic files only

Benefits of Automated Systems

- Better controls
- Tracking potential increased
- Management reports easy to produce
- Timely generation of sales data
- Ability to focus on micro/macro issues related to sales
- Can increase productivity of waitstaff/management

Benefits of Automated Systems

- Reduction of computational errors by servers
- Access to check reports in real-time
- Reduces employee theft
- Reduces walkouts
- What is the role of empowerment ?
- What are the downsides of automation ?

Collection of Sales Income: Server Banking Systems

- Servers/bartenders use their own banks of change to collect receipts, retain collected income until end of shift
- Some operations use lockboxes
- Guest check tally must be completed at end of shift, income is then reconciled against opening bank
- Dilemma: Who provides the bank fund ?
- Creates time consuming procedures at end of shift, prone to server error
- What are the advantages to this system over a cashier banking system ?

Collection of Sales Income: *Cashier Banking Systems*

- Guests pay either cashier, or bartender or food/beverage server (*who then pays the cashier*)
- Cashier receives check and tallies each item and makes change
- Coupled with an efficient POS terminal, this can save time and labor costs
- What are common problems associated with this system ?

Preventing Theft Of Sales Income

- * Theft By Bartenders
- * Theft By Guests
- * Theft By Servers
- * Employee Theft From Guests
- * Theft Via Misuse of Beverage Products
- * Theft By Misuse of Cash Registers

Reducing Theft By Bartenders

- Focus On Cash Control & Beverage Products
- Place Tip Jar Away From POS System
- Use Lock Boxes When Practical
- Spot Check For Adherence To SOP's
- Role of Training and Re-Training
- Check Register Drawers During Mid-Shift
- Using Shopper Services

Guest Theft Techniques

- Taking advantage of staff errors
- Walk-outs
- Disclaiming transfer charges
- Theft of Property
- Passing bad checks
- Credit card fraud
- Short change schemes

Server Theft Techniques

- Reuse of checks, "coupon clipping"
- Underadding, overadding, and deletion
- Collecting cash, destroying check, claiming walkout or lost check
- Collection of beverage transfer from lounge, destruction of check
- Claim of returned items on check, pocketing of income
- Pocketing of income for items picked up without a requisition

Employee Theft From Guests

- Padding bills to increase tip levels
- Overcharging for menu items
- Intentional addition errors
- Switching guest checks
- Altering credit card slips
- Altering personal checks
- Making incorrect change

Theft via Misuse Of Beverage Products

- Underpouring drinks
- Diluting beverage products
- Substitution of lower quality liquor
- Pouring from private "stock"
- Misrepresenting comps, spills, and returns
- Collusion with beverage servers & food production employees
- Pouring free drinks
- Overpouring drinks

Theft Via Misuse of Cash Registers

- No Ring Sales
- Underringing
- Bunched Sales
- Substitution of Bottle Sales for Drink Sales
- Re-use/Misuse of guest checks
- Mixing Sales Income with tips
- Borrowing from register
- Stealing from other registers when making change
- Using coupons
- Substitution of Credit Card Vouchers
