AN INTRODUCTION TO HOTEL MANAGEMENT

Hotel management is discipline that should be addressed by top executives with a bird's eye view. A clinical approach will be helpful in managing individual departments with an in-depth understanding. However, for business enterprise to make it profitable the overall knit between various staff and line departments has to be well understood.

Hotels are considered as one of the top environment polluting industries. There is a dire need for hotel managers to showcase their contribution towards greenism and other forms of sustainability. Further to this their role in polluting the social fabric also has been raised by elements who are critical about hotel enterprises. Gaseous emissions, effluent flows, excess garbage and resource consumption are some of the allegations against the industry as a whole. The hotel are required to go for expensive infrastructural developments to mitigate the impact on the environment.

Hotels are labor intensive and a low waged industry making it quite difficult to manage the Human resource front. To run a hotel enterprise successfully well-trained employees with proper working attitudes is a must. In low waged industry retaining employees has become a challenging task.

Hedonistic preferences and epistemic preferences are playing major role in deciding the business success of hotel enterprise. Hedonistic means peoples love for comfort-based experience while the epistemic represents the affinity to try out products with novelty. The traditional decision-making factors like monetary values, functional values and social values also are playing a role in such decisions. These values have to considered when shaping and reshaping hotel products.

Sri Lankan hotels are unable to retain a tourist for more than two days as many of them are on a round tour. In contrast hotels in Maldives are making more money by focusing on vacations that can retain tourists for more than seven days.

Managing hotels is a capital-intensive industry. Any investor needs to spend a lot of money in order to start up a star class hotel. Considerable portion of this capital has to allocated for fixed assets such as land, building, machinery and furniture.

USA is the country who introduced modern hotel management to the world. All dominating brands are from USA and are penetrating to isolated island around the world. It is believed the American management techniques are the worlds best methods in managing hotels profitably. Rich tourism product are versatile grounds to establish great hotels. Such tourism products are found in abundance in Asian, African and Latin American continents.

A greater portion of hotel product and services are intangible. Such elements have to be consumed only through experiencing those services. More than in nay other industry the moment of truth shall be playing an important role in hotel management.

It is important to examine the nature of the hotel product. Hotel products are regarded as composite products. A hotel is making its revenue through a variety of revenue lines such as rooms sales, food sales, beverage sales and MOD products and service sales. This complexity makes a hotel enterprise a stronger business module compared to an independent restaurant business. Hotel products and services are largely perishable causing an irretrievable loss if unable to sell them. Room nights are the worst and food and beverage also seem to be perishable to greater extent.

As explained earlier the cost structure is an element that should be taken into consideration when managing hotel businesses. Approximately three quarters of the total cost are fixed and uncontrollable nature. The impact off excessively high fixed costs has forced hotel managers to price their products at an exorbitantly high level. Higher the fixed costs make it difficult to achieve profits by manipulating costs.

Hotels are a kind of a product subjected to high seasonality. During winter season when business is down in northern hemisphere hotels in warm regions are making money and this happens other way around in summer. Annual patterns, monthly patterns and even weekly patterns are observed in hotel management.

Cycle of operation is an important reflection in hotel management. The concept stands for how fast the raw material could be transformed in to cash. A FIT tourist will be paying his bills immediately when he is checking out. The travel agents will be honoring their commitments within months duration. Hence room operation will generate fast cash. Food and beverage bill also shall be fully paid by guests before they leave the hotel. Hence the hotels are a business who have the potential to recover their money quite fast. In the mean time hotels are purposefully delaying the payments to their suppliers for months. Despite the quality of this approach it makes the hotel a cash fat operation.