

UNIT-II FORECASTING

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OBJECTIVES

- Room Availability
- Forecasting Data
- Forecasting Formula
- Sample forecast forms
- Refining Budget Plans
- Forecasting Room Revenue
- Estimating Expense
- Daily operation Reports

ROOM AVAILABILITY

- According to Oxford dictionary ,forecasting means “to say what will happen probably in future.”
- It is prediction of future happening based on precise analysis of data available .
- Number of rooms available for selling on a future date is called room availability or forecasting.

INFORMATION REQUIRED FOR FORECASTING

- Thorough knowledge of hotel and area
- Market profiles
- Hotel occupancy history
- Reservation trends
- Scheduled events
- Group profiles
- Cut-off date for rooms blocked

INFORMATION REQUIRED FOR FORECASTING

- Reservations(guaranteed/non-guaranteed);
no-shows, cancellations
- Percentage of rooms reserved
- Impact of groups on dates in question
- Hotel's remodeling/renovation plans
- Competition's remodeling/renovation plans
- Plans for new hotels in the area

FORECASTING DATA

- Arrivals
- Walk-ins
- No-shows
- Understays
- Overstays
- Stayovers
- Check-outs

PERCENTAGE OF WALK-INS

$$\frac{\text{Number of Room Walk-Ins}}{\text{Total Number of Room Arrivals}} * 100$$

Purpose:

Helps front office managers know how many walk-ins to expect.

PERCENTAGE OF NO-SHOWS

$$\frac{\text{Number of Room No-Show}}{\text{Number of Room Reservations}} * 100$$

Purpose:

Helps front office managers decide when (and if) to sell rooms to walk-in.

PERCENTAGE OF UNDERSTAYS

$$\frac{\text{Number of Understay Rooms}}{\text{Number of Expected Check-Outs}} * 100$$

Purpose:

Alerts front office manager to additional room availability.

20% of hotels charge understay guests

PERCENTAGE OF OVERSTAYS

Number of Overstay Rooms

----- *100

Number of Expected Check-Outs

Purpose:

Alerts front office managers to potential problems when rooms have been reserved for arriving guests.

ROOMS AVAILABILITY OR FORECASTING FORMULA

- Total number of guestrooms
- Out of order rooms
- Stayovers
- Reservations
- + Reservations x no-show percentage
- + Understays
- Overstays
- = Number of Rooms Available for Sale


Window

OCLD

TOND - Detailed Availability as of 04/02/07

Date	Total	LFD	LFT	DBL	TWN	HFD	HFT	STE	STD
Sun 04/02/07	25	7	22	-37	2	0	0	14	
Mon 05/02/07	21	22	21	-65	13	0	0	12	
Tue 06/02/07	95	30	19	-5	17	0	0	16	
Wed 07/02/07	113	55	21	0	5	0	0	14	
Thu 08/02/07	146	60	23	18	14	0	0	13	
Fri 09/02/07	15	49	23	-87	-3	0	0	15	
Sat 10/02/07	-11	50	21	-105	0	0	0	5	
Sun 11/02/07	89	32	21	5	6	0	0	8	
Mon 12/02/07	-2	33	22	-95	8	0	0	14	
Tue 13/02/07	-19	34	22	-100	-4	0	0	13	
Wed 14/02/07	24	32	21	-65	7	0	0	13	

<< <

Start Date 

Include OOO

Include Non Deducted

Include Overbooking

No Deluxe

Search Details Turnaway

Zoom Occupancy

Registration Cards

FORECASTING

- Since short-term forecasts are the most accurate, the time frames forecasted most often are:
 - **3 Day**
 - **7 Day**
 - **10 Day**
 - **14 Day**
- Longer term forecasts are run:
 - **30 day (or comparable cutoff date)**
 - **90 day**
 - **12 Month Rolling-Annual Budget/Marketing Plan**

FRONT OFFICE BUDGETING

The most important long-term planning function

FOM is responsible for:

1. Forecasting Rooms Revenue
 - Use historical trend data
2. Estimating Expenses
 - Vary directly with rooms revenue
 - Payroll, laundry & supplies

FORECASTING ROOMS REVENUE

Forecasted Annual Rooms Revenue =

Rooms Available \times Occupancy Percentage \times Average Daily Rate

Rooms Available = Total Rooms X 365 Days

FORECASTING ROOMS REVENUE EXAMPLE

100 Room Hotel

$100 \times 365 \text{ days} = 36,500 \text{ Rooms Available}$

75% Occupancy Percentage = .75

\$50 Average Daily Rate

$36,500 \times .75 \times \$50 = \$1,368,750$

ESTIMATING EXPENSES

Most expenses for front office operations are direct expense in that they vary in the proportion to rooms revenue . Historical data can be used to calculate an approximate percentage of rooms revenue that each expense item may be represent

ESTIMATING EXPENSES

- Expense categories as percentages of rooms revenue

Year	Payroll & related expense	Laundry & Guest supplies	Commissions & reservation expenses	Other expenses
2005	16.5%	2.6%	2.3%	4.2%
2006	16.9%	2.8%	2.5%	4.5%
2007	17.2%	3.0%	2.6%	4.5%
2008	17.4%	3.1%	2.7%	4.6%

FORECASTING ROOM **AVAILABILITY**

The most important **short-term** planning function

Hotel Occupancy History

- The past few months and last year at this time

Reservation Trends

- How far in advance are reservations being made?

Scheduled Events

- City-wide conventions; sporting events, etc.

Group Profiles

- Pickup history

ROOM COUNT

The number of rooms occupied by the guest is called as room count.

= Expected arrivals + Expected stayovers

OR

= Expected arrivals + Walk-ins –
Cancellations – no-shows + Stayovers +
extended stays – early departures

DAY END

Opera Hotel Edition - Version 4.0 - Microsoft Internet Explorer provided by Corp IT For OCLD

OPERA PMS [4.0.04.01] VVRM - The Oberoi Vanyavilas 23/05/08

VVRM - House Status - 23/05/08

Room Summary

Total Physical Rooms	25
Out of Order	0
Total Rooms to Sell	25
Out of Service	0

Activity

	Room	Persons	VIP
Stayovers	4	6	1
Departures Expected	1	0	0
Departures Actual	4	8	2
Arrivals Expected	0	0	0
Arrivals Actual	2	1	0
Extended Stays	1	2	0
Early Departures	0	0	0
Day Use Rooms	1	0	0
Walk Ins	0	0	0

Complimentary and House Use

	Room	Persons	VIP
Complimentary Arrivals	1	1	0
Stayovers	2	2	1
Departures	0	0	0
House Use Arrivals	0	0	0
Stayovers	0	0	0
Departures	0	0	0

End of Day Projection

Min. Available Tonight	2
Max. Occupied Tonight	23
Max. % Occupied Tonight	92
Blocks not Picked Up	18
Individuals	4
Groups & Blocks	1
Room Revenue	21,000.00 Avg. 913.04

Housekeeping Room Status

	Vacant	Occupied
Inspected	1	4
Clean	3	0
Dirty	15	2
Out of Order	0	0
Out of Service	0	0

Room Class:

Date: 23/05/08

Opening http://trnopms1/forms/Servlet;jsessionid=847afe9930d6efca43e95f7c498fb05be412d5bc1225.e38Qa341Tbx8Mc40TbNyNa3eObh20n6jA

Local intranet

start Microsoft Of... AO F007 Front... Microsoft Powe... 4 Internet Ex... Desktop 11:20 AM

HOTEL AVAILABILITY

HOTEL/HOUSE POSITON – Room status of the hotel

- Plus
- Minus
- +/- Zero

HOTEL/HOUSE STATUS - Booking status of the hotel

- Open / Free sale – Bookings are confirmed
- Closed / Sold out – Bookings are turned away
- On request – Bookings are waitlisted

DAILY OPERATIONS REPORT

The daily operations report, also known as the manager's report, the daily report, the daily revenue report, contains a summary of the hotel's financial activities over a 24 hour period. The daily operations report provides a means of reconciling cash, bank accounts, revenue, and accounts receivable.

Window

TOND - Control Panel

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
	04/02/07	05/02/07	06/02/07	07/02/07	08/02/07	09/02/07	10/02/07
Total Physical Rooms	279	279	279	279	279	279	279
Out of Order >>	2	2	2	2	2	2	2
Inventory Rooms	277	277	277	277	277	277	277
Overbooking	0	0	0	0	0	0	0
Sell Limits >>	279	279	279	279	279	279	279
Deducted Blk. Rooms Not P/U	180	179	107	101	89	226	238
Deducted Block Rooms P/U	21	12	12	12	0	0	1
Total Deducted Rooms	252	256	182	162	129	262	287
Non Deducted Blk. Rms Not P/U	1	1	1	19	19	1	1
Non Deducted Blk. Rooms P/U	0	0	0	0	0	0	0
Total Non Deducted Rooms	1	1	1	19	19	1	1
Out of Service >>	0	0	0	0	0	0	0
Available Physical Rooms	25	21	95	115	148	15	-10
Maximum Availability	25	21	95	115	148	15	-10
Minimum Availability	24	20	94	96	129	14	-11
Min. Occupancy %	90.97	92.42	65.70	58.48	46.57	94.58	103.61
Max. Occupancy %	91.34	92.78	66.06	65.34	53.43	94.95	103.97
Total Rooms Reserved	72	77	75	61	40	36	49
Event >>	No Deluxe	No Deluxe	No Deluxe	No Deluxe	No Deluxe	No Deluxe	No Deluxe
Day Type >>							
Adults In-House	122	132	127	110	71	61	84
Children In-House	0	0	0	0	0	0	0
People In-House	122	132	127	110	71	61	84
Arrival Rooms	35	31	29	30	19	19	26
Arrival Persons	64	57	55	52	31	34	46

Start Date 04/02/07

Waitlist Blocks
 Search Details Turnaways Close

YOUR CAREER

YOUR FUTURE

YOUR ABILITY

YOUR SUCCESS

YOUR DREAMS

0 7830294949

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