

Peerless Hotels Limited

Hotel Asset Management Policies And Procedures

1. Management Policy

○ Management policy lays the groundwork for the hotel to complete their business operations. Management policy may cover accounting, planning and sales.

○ Accounting Policy

Accounting policy dictates how the financial information flows through the hotel organisation. What information is needed when purchasing materials, how bills are paid and financial statement are prepared are all part of accounting policies.

○ Planning Policy

Planning policy helps the top management of the hotel to predict its future needs or/and new products that can be developed to meet these needs. Facilities management and new production methods are also dictated by planning policy.

○ Sales Policies

Sales policies indicate the hotel quotas and sales regions. The policy will attempt to maximize the hotel's target market while providing good customer service.

○ Human Resource Policy

Human resource policies cover the hiring, benefits and termination of all company employees. While some of these policies may be dictated by federal and state governments, hotel management should have policies in place to help control employee situations that require management intervention.

Human resource policy should also dictate the rules for employees benefits.

Vacation time, sick time and medical, dental, vision and other benefits are often covered by human resource policy. Most hotels will develop a manual specifically designed to cover human resource questions.

○ Management Procedures

Management procedures cover how the daily business operations are conducted for the hotel. Most procedures are specific to each department, although in some hotels wide procedures may exist. Department managers are responsible for ensuring the hotel procedures are followed by employees.

Safety procedures are also developed and carried out by company management in case of an emergency. Many times, these policies must be reviewed with employees since they are not used frequently.

Disciplinary procedures are also created by management to reprimand employees when other procedures are not followed. Many disciplinary procedures coordinate with human resources so proper documentation is kept on the incident.

2. Procedures

- **Monthly Performance** - Review in terms of Sales, Occupancy, & ARR vs the Budget.
- Expenses as a percentage of Sales in comparison to cost incurred and with reference to Expenses made in the previous years.
- **GOP** - Review keeping a track of percentage to Sales.
- **Staff to Room Ratio** - Efforts should be made to keep the said ratio within 1:1.2
- **Existing & New Accounts** – Monitoring of all existing customers should be done on regular basis, their visits & payment pattern should be analyzed and the collection pattern with respect to Receivables should be thoroughly examined particularly in respect of outstanding of 90 days and above.
- **Guest Satisfaction Survey** – Efforts should be made for Guest feedback from all potential customers and walk-ins. This should be properly captured and archived for reference. The Hotel should also register with Online Travel Guide Portals to get feedback through them of the Guest staying in the Hotel. All negative comments in particular should be dealt with and rectification process should be brought in and monitored on regular basis.
- **Talent Building & Acquisition** – This should be reviewed at periodic intervals to see how the existing staff are being groomed and built up, a career path defined and the training being conducted internally and through external faculties. There should be an Employee Satisfaction Survey conducted every quarter. There should be a check list / template for Employees to fill up the same and express their views audaciously. One needs to create such environment within the organization for all Employees to feel free and express their views and be a part of the family.
- **People Development & Employee Initiatives** – A track needs to be kept on initiatives being implemented from time to time. Employees should be encouraged to give suggestions for improvement which should be documented and the useful ones should be implemented. Employees suggesting right initiatives should be rewarded for doing so and should be made the champion for implementation across the house. Should play a major role in selection of key positions viz GM, HR & Finance Controller. A right election and nurturing would strengthen the pillars of the Hotel.
- **Retention of Market Share** – Review should be made from time to time of marketing efforts through different Sales Offices and Marketing Network. Marketing is a very important tool and therefore should be monitored very closely for improvement wherever required.

Marketing Initiatives and Sales Planning should be reviewed viz-a-viz acquiring new clientele on a monthly & quarterly basis.

- **Patronage of Local Clientele** – Review of this has to be done at periodic intervals because for any Hotel, strong local linkages are effective revenue earners. Repeat Customers help in increasing footfall both in terms of Rooms and F&B.
- **Changing Trends in F&B** - Changing trends in F&B has to be tracked closely to be competitive and to change trends wherever required to be on the edge of the ompetition. Details market survey should be conducted from time to time to record the change trend and internally implement the same by bringing requisite changes.
- **Monitoring F&B Ratio to Room Increases** – This is also critical to ensure generation of F&B Revenue and keeping F&B Cost to F&B Revenue under control.
- **Cost Control Initiatives** – Efforts should be on for overall cost control wherever possible and the said initiative should be a continuous process. Purchases should be centralized as far as practicable to reduce cost on bulk orders.
- **System & Processes** – To ensure that there are strong in built system and processes for each department and each employee working in each department should adhere to those system and procedures and should be monitored and mentored on a regular basis.
- **Asset Performance within the Competitive Set** – Weekly & Fortnightly reviews should be done on regular basis more so when performance is challenged due to hard times.
- **Risk Management** – should be carried out on quarterly basis on all perceived risks and mitigation plan for each should be defined. This can be dealt by a separate Risk Management Committee which should analyze the risks of each process, risks relating to retention of employees, guarding of information, business continuity plan, loss of profit, environmental risk, etc.
- **Alignment with Long Term Strategy** – This is very important to have a consorted approach towards expansion and to be in sync to move towards achievement. Company Strategy is to be reviewed from time to time to analyze how the same is being deployed, whether corrections required and if so to take immediate action.
- **Stakeholders' Value** – Control on Corporate Governance Rules & Policies and monitoring of each and every aspect mentioned above to ensure all Stakeholders from Owners to Employees to Creditors to Vendors to Customers get maximum value which is key to success of business.

3. Execution

- The Key Managerial Personnel should monitor the above procedures on a monthly, bi-monthly & quarterly basis.
- Any areas of concern should be highlighted and brought before the Committee / Board.
- The Committee / Board should suggest appropriate remedies with specific guidance & suggestions.

4. Change Procedure

- If the Committee / the Board or the Key Managerial Personnel feels that certain more aspects need to be added coming up in the course of periodic monitoring then those should be put up before the right forum and this Policy can be amended with a changed version.