

Summary

OPPORTUNITY

- Previous process saw duplicated efforts across Front Office and Accounts department for travel agent e-billing
- Scope to reduce steps, remove failure points, and save time wasted on checking and correcting

ACTION

- Internal Kaizen team performed **process mapping exercise** and identified areas of waste and error in billing process
- Consolidated processes between Front Office and Accounts; transferred invoice preparation directly to Accounts
- New process removed Front Office as a middle step, but they continue to have oversight through new online reporting
- Quick facts:
 - ✓ Roll-out period of 3 weeks
 - ✓ No monetary costs involved in internal process redesign

RESULTS

- **~45% ↓ in man-hours daily for the Accounts department** due to greater efficiency and less errors
- Completely eliminated Front Office’s involvement – **310 hours saved per month**, freeing them up to engage guests
- Reduced the hassle of paperwork and speedier service for guests under travel agent bookings

OPPORTUNITY

REDESIGNING AND STREAMLINING BILLING PROCESS FOR TRAVEL AGENT BOOKINGS

In late 2012, Royal Plaza on Scotts assembled a dedicated taskforce known as the *Kaizen team*, with the objective to improve productivity, reduce errors and eliminate wastage in operations by **championing changes guided by data analytics and ground feedback**. As part of the team’s ongoing analysis combined with employee feedback, an opportunity to improve the billing process for travel agent bookings emerged.

The previous process had many manual steps, which is prone to human errors. With information from Reservations, Front Office prepared the paperwork (e.g. registration card, supporting documents, invoices) to obtain guest signatures at check-out, after which staff would have to hand over a hard copy of the signed invoice to the Accounts team for billing. This was a highly manual process where various documents had to be stapled together by hand and delivered to Accounts, sometimes resulting in billing delays, as time was spent by Accounts checking hard copies and tracing missing documents through Front Office. In some cases, Accounts had to further validate and check with Reservations too.

Upon review, there was no value in Front Office preparing paperwork for guests to sign (creating more steps)—payment for travel agent bookings is guaranteed and can be handled directly by Accounts through electronic-billing; hence, the Kaizen team sought to redesign a system where Front Office can be removed as a middle step and free up the employees to perform other tasks.

With the new billing process, invoices for travel agent bookings go directly to Accounts (*Fig. 1*). With Front Office removed, this process is more straightforward with less paperwork. Nonetheless, Front Office still needs oversight on those invoices because guests under travel agent bookings may incur additional charges not covered under the package (e.g. restaurant bills, transport charges) and Front Office needs to be able to identify these charges to bill a guest at check-out. Hence, a new online reporting template was created, and Accounts would populate it for Front Office's reference (with minimal extra effort required).

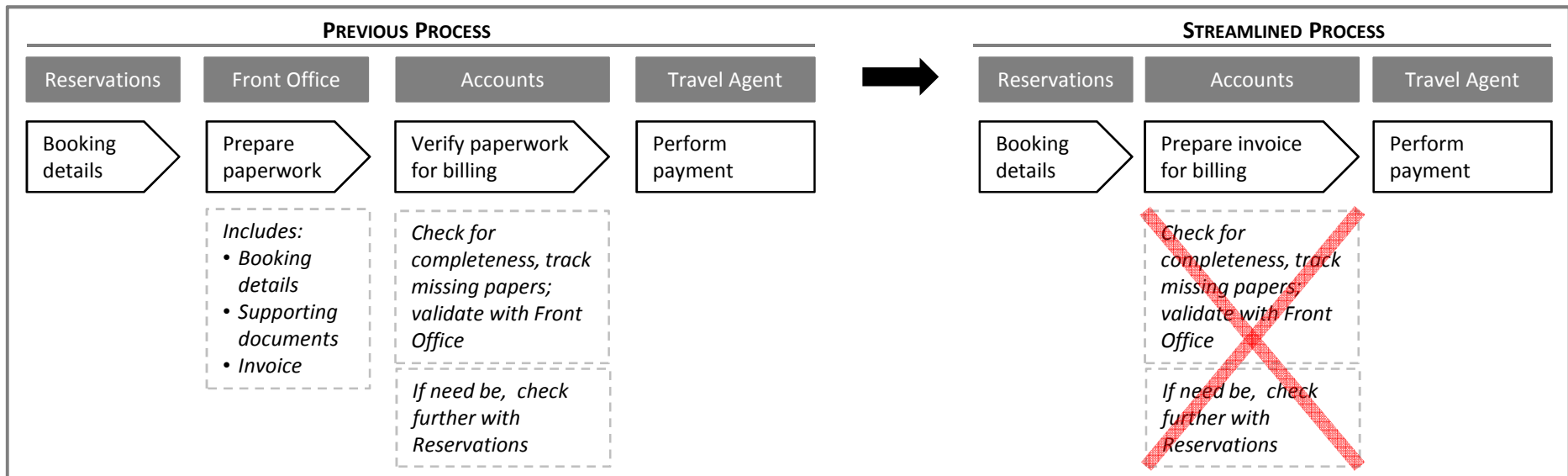


Fig. 1: Diagrams showing improvements in the billing process

Key Steps

- **Ensuring a thorough understanding of the previous system:** To understand the entire value chain, the *Kaizen* team did a process mapping exercise, and sought feedback from the line staff. The team noticed guests don't have to sign the invoices before processing since payment for reservations by travel agents is guaranteed and can be handled directly by Accounts (which then had to take over from Front Office the task of collating documents needed to bill travel agents directly).
- **Seeking buy-in from the top to proceed:** Armed with a deeper understanding, the *Kaizen* team then presented the case with the quantified impact to the management, including the General Manager Patrick Fiat who saw value in the proposal and gave the go-ahead, giving support to the change.

Key Steps (cont'd)

- **Building a project team to drive change:** The Kaizen team identified the affected stakeholders with their different roles (e.g. change agent, decision-maker, supporter, domain expert).
 - After laying the roles out, the Kaizen team assembled a project team consisting personnel from Information Technology, Accounts, and Front Office. Their domain expertise on ground complemented the objective, analytical angle from the Kaizen team.
 - This collective wisdom enabled a new, streamlined process without undermining knowledge access of Front Office staff who still need billing oversight. Hence, the team came up with a reporting template for info-sharing.
- **Garnering employee buy-in and training for the new process:** To get employees to embrace changes, the Kaizen team shared on the immediate benefits for employees with the improved process. To equip them for the new process, the team coordinated rounds of induction and training for new and existing hires. Being on the project team, the heads of departments served as champions of change within their own respective departments.

Key Success Factors

- **Dedicated resource for continuous improvement:** Having a Kaizen team in place, there is direct ownership and resource to enact improvement in the hotel. The team helps bring focus *to data collection, tracking and analysis for day-to-day operations (e.g. time-motion studies)*. These efforts are hard to sustain without an entity like Kaizen coordinating and making sense of the data, combining insights from guests, internal process audit and management strategy. This guides informed improvements in areas not identified before, such as in billing.
- **Operational insights strengthened with data:** Keeping the Kaizen team lean and forming project teams that are fluid, depending on project type (and departments involved), the hotel is able to be agile in creating impactful change with real operational improvement, and avoid the pitfall of being efficient at the cost of guest service and experience by factoring insight from the involved departments.
- **Processes reviewed as part of a larger collaborative system:** Improvements in a *single* process is often limited; the hotel was able to reap significant benefits as they reviewed the entire value chain to see how *inter-departmental workflow and communication can be improved*. This is facilitated by the Kaizen team's on-going data analysis and property-wide coordination.

*“By taking a step back and re-evaluating the **entire value chain, instead of individual steps**, the Kaizen team was able to identify improvements at the system level. There is often scope for improvement in how **different processes across different teams interact with each other.**”*

-- Christopher Goh
Analysis & Kaizen Manager
Royal Plaza on Scotts

Project period: The streamlining of the travel agent e-billing process was **adopted and integrated over a 3-week period**, including the management approval process, implementation of the new reporting template, training and employee communications.

Estimated cost: The implementation of this productivity enhancement came at no additional cost to the hotel.

RESULTS

SMARTER, LEANER PROCESS WITH SIGNIFICANT MAN-HOUR SAVINGS

- **Savings in man-hours for Front Office:** By shifting the invoicing task entirely to Accounts, the need for Front Office manpower in the travel agent billing process was completely eliminated – saving about 310 man hours per month (10 hours per day). The number of activities and manual processes involved were reduced from 4 and 2 respectively to zero for both. Front Office staff were also happy to remove the redundant, error-prone process.
- **Greater efficiencies in Accounts:** Even though Accounts had to take on the task from Front Office, the complete ownership of the billing process has yielded overall benefits, with reduced inefficiencies for Accounts, such as the manual process of tracking missing hard copies and the back and forth verifications. Accounts saw a 45% reduction in man hours (from 3.99 to 2.2 hours per day) and has been able to bill travel agents more effectively .
- **Seamless transition for guests:** The new reporting mechanism means Front Office still has access to the travel agent booking information if needed. Also, the elimination of the Front Office from the billing process means Front Office agents can spend more time interacting with guest to create memorable experience.
- **Another productivity best practice for the hotel:** The successful implementation of this refreshed billing process adds yet another best practice to *Kaizen's* programmes. The team has saved almost 8,000 man hours in total since it was set up last year. This reinforces the hotel's vision and demonstrates momentum and commitment to all staff involved.

*“Taking over the task to print travel agent invoices and supporting document meant that we no longer need to collect and collate paperwork from Front Office or source for missing documents. **This has freed up a significant amount of time for us.**”*

-- Chew Jia Lin
Accounts Officer
Royal Plaza on Scotts