

Summary

OPPORTUNITY	<ul style="list-style-type: none"> A process review of credit card and pre-authorisation of credit card amount was highlighted as an area of potential improvement when a review was carried out to improve the check-in process. This includes the knock-on effects of pre-authorisation amount that has impacted the check-out process and time spent for each agent closing their cashier at the end of a shift.
ACTION	<ul style="list-style-type: none"> Micros Payment Gateway (MPG) automates several areas: calculating the preauthorisation amount needed for each hotel stay transaction, automatically updating the preauthorisation amount when a guest consumes more than calculated, facilitates quicker payment on check-out and cancelling the pre-authorisation amount when the guest has departed (normally a manual scanning and faxing process).
RESULTS	<ul style="list-style-type: none"> Baseline for the average Check In and Check Out Combined: 494seconds Time savings at each hotel: Swissotel The Stamford - 351 seconds (28.9% improvement) Fairmont Singapore – 394 seconds (20% improvement) The average cashier closing timing was also reduced at each hotel from a baseline of 20 minutes: <ul style="list-style-type: none"> - Swissotel the Stamford – take an average 15 minutes (25% improvement) - Fairmont Singapore – take an average of 13 minutes (35% improvement)

OPPORTUNITY

IMPROVING PROCESS TIMES FOR CHECK IN, CHECK OUT AND CASHIER CLOSING

- Prior to the implementation of the Micros-Citibank Payment Gateway solution, front office staff are required to do numerous process manually as follows:
 - Check in: Front office staff are required to manually calculate the pre-authorization amounts required for each guest’s stay and also manually key in guest credit card information into the Opera Property Management System (PMS).
 - Check-out: Front office staff are required to manually cancel and refund unused pre-authorization amounts to guest.
 - End-of-shift: In addition, as the above check-in and check-out procedures are done manually, to ensure no errors, front office staff are also required to perform end-of-shift verification to reconcile the payments and pre-authorization amounts made during their shift.
- A review was conducted to improve the check-in process for both hotels, a process review of credit card and pre-authorisation amount were highlighted as areas of potential improvement.
- Automating the pre-authorisation will impact the check in, check out process and time spent for each agent closing their cashier at the end of a shift.

Discussing this with various credit card bank merchant, the opportunity of credit card payment gateways using Property Management software interfaces arose.

This Payment Gateway would result in automating several areas:

- Calculating the preauthorisation amount needed for each hotel stay transaction, reducing the guesswork by agents on the desk during check in.
 - Automatically updating the preauthorisation amount when a guest spends beyond the calculated, pre-authorized amount on the card
 - The holding amount also results in facilitating quicker payment upon checkout
 - By making the charging more automated, the closing of credit transactions component of a Front Office Agent's cashier would become more straightforward.
 - Cancelling the pre-authorization amount when the guest has departed (normally a manual scanning and faxing process) reduces manning required for this highly administrative process
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Key Success Factors

- Credit card merchant bank had the available technology, knowhow and experience to implement
- Availability of Property Management System consultants to implement
- Coordination with Finance and Front Office Teams with IT to ensure training and familiarisation of new systems take place
- Conscientious attendance by all end users of training to familiarise themselves in the change of system and process
- Strong communication lines with the Credit card merchant bank, PMS consultant. IT and end users to troubleshoot.

Project period: 1 month planning, 2 months implementation, 3 months review and stabilisation

Estimated cost: S\$40,000

RESULTS

IMPROVEMENT OF PROCESS TIMES FOR FRONT OFFICE AGENTS

Swissotel the Stamford

Baseline 1: Average Check In and Check Out Combined: 494 seconds

- Swissotel the Stamford improved time to 351 seconds (28.9% improvement)

With an average of 173 Credit Card Transactions at Checkout for Swissotel, this saving equates to:

Swissotel Baseline: $494 \times 173 = 85,462$ seconds

Swissotel Improved Timing : $351 \times 173 = 60,723$ seconds

Difference: 24,739 seconds per day /6hours & 52 mins of man-hours savings a day

Baseline 2 :Average cashier closing timing: 20 minutes

- Swissotel improved time to 15 minutes (25% improvement) per Front Officer Agent

Fairmont Singapore

Baseline 1: Average Check In and Check Out Combined: 494 seconds

- Fairmont improved time to 394 seconds (20% improvement)

With an average of 84 Credit card transactions for Fairmont and 173 for Swissotel, this saving equates to:

Fairmont Baseline: $494 \times 84 = 41,496$ seconds

Fairmont Improved Timing $394 \times 84 = 33,096$ seconds

Difference: 8400 seconds per day or 2hours & 20 mins of man-hours savings a day

Baseline 2 :Average cashier closing timing: 20 minutes

- Fairmont improved time to 13 minutes (35% improvement) per Front Office Agent