

How To Improve Your Minibar Operations

We all agree managing minibar in a 4 or 5 star hotel is a challenging task. Today's minibar manager is constantly juggling guest satisfaction, denials, walkouts, and labour costs while trying to maximise profitability. There are many operational enhancements a hotel can implement to improve minibar. The success or otherwise of such changes, is dependant on the hotel's business mix as well as the implementation.

Reducing Denials And Walkouts

Check Due Out Rooms First

The best way to reduce denials is to commence checking rooms as early as possible and focus solely on the due out rooms still occupied. The earlier these rooms are checked, the faster the charges will hit the guest accounts, and less walkouts will result. Off course there is a limit on how early a room can be entered without causing undue inconvenience to the guest. Unfortunately a lot of hotels overestimate the extent of the inconvenience without actually trying it first, and miss out on a good opportunity to reduce denials. Most due out guests don't really mind being disturbed because they are packing their bags ready to check out. One of Minibarmaster's features is it's ability to identify the due out rooms that are still occupied and display them on the handheld, thus making it easy for minibar staff to check these rooms. In addition, the wireless capability of Minibarmaster results in charges hitting the guest account from the floors within a few seconds after the room is checked, making it very effective for reducing denials.

Minibar Improvents Check List

Reduce Denials.

- *Check due outs first so they can be posted quickly.*
- *Late charge guests for denials. Use a low dollar threshold value such as \$7.*
- *Ensure front desk are firm but polite when asking guests about minibar usage when checking out.*
- *Discount honest minibar declarations and surcharge late charging.*

Reduce Labour

- *Try checking rooms first then replenishing later. Many hotels who try this, find it is more efficient.*
- *Don't waste time checking vacant rooms*
- *Manage expired stock better by avoiding products with very short lifespan, and returning product to suppliers that is close to expiry.*

Increase Revenue

- *Special offers and discounts to improve sales*
- *Don't run out of stock and lose revenue.*
- *Try non F&B items in the minibar such as stockings or shoe polish*

Front Desk Operations

Front desk should be more vigilant when asking guests if they have used anything from the minibar. Be polite but firm when inquiring if any minibar has been consumed. We find it suprising how many times front office don't ask or are happy to reverse a charge with very little questioning. If the minibar has been posted when the guest is checking out, tell the guest their consumption instead of asking. Doing this usually means the guest is less likely to deny because they realise the hotel knows their usage.

The hotel should also introduce a system whereby front desk staff make a point of telling guests at check-in that if they declare their usage they will receive a 5% discount. Also make a point of mentioning they will incur a surcharge (say 20%) if they don't declare it. The exact figures are arbitrary, however if this model is implemented, it will make guests aware it will be in their best interests to declare it.

Late Charging

The hotel should also implement an efficient system for late charging guests who have not paid all their minibar usage. Set a threshold of say \$7, and late charge guests that don't pay their minibar. It is quite surprising how many hotels don't late charge minibar at all, or waive the charge unless it's a very high amount. Consequently guests realise they will be charged, they are far more likely to admit their minibar usage and pay it. Conversely, when they know a hotel doesn't late charge or has a high threshold, it promotes abuse of the system because they consume just enough to remain under the threshold.

Reducing Labour To Check Rooms

Split Checking And Restocking Into Two Tasks

Most hotels believe the best way to operate minibar, is to check the rooms and replenish at the same time

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as checking. There are hotels however who break the operation into two separate tasks. Firstly they check the rooms in one sweep, then they return to replenish in a second sweep. By breaking the job into separate tasks, it allows minibar staff to focus on checking rooms first and hence they develop a rhythm resulting in faster room checking. In addition they don't have to push a heavy trolley around, thus room checking and consequently guest charging will be faster and also reduce denials. When they return to restock the rooms, they will only load the trolley with the items they require for restocking (because they know exactly what stock levels are required as they have checked the rooms and have this information), hence the trolley will be lighter and faster to push around. In addition, they only re-enter the rooms requiring restocking (typically one out of three rooms). Some hotels use a basket instead of a trolley. They exit the elevator in the middle of a floor, load the basket with the required items for every room requiring restocking on the floor, and go to each room to restock. The challenge with doing minibar this way is to overcome staff attitudes "it shouldn't be done this way". Minibar staff who are not used to this methodology will oppose it. Management need to persist for at least a month or two before results will be evident on the P&L.

Don't Check Vacant Rooms

Don't check rooms that were vacant last night. Unless there are strong suspicions why there may be shortages in vacant rooms, there is no reason to check them.

Reducing Labour To Check Expired Products

Managing expired products also takes considerable time. The process of checking product use-by dates and subsequently replacing them if they have expired, is time consuming. Steps can be taken to reduce it.

Firstly, put in place supplier agreements stating that stock must have a minimum use by life expectancy when it arrives at the hotel store, otherwise it will be returned to the supplier.

Secondly, range only long life products wherever possible. For instance, select the longest life chips on the market.

Thirdly, consider reducing the product volume of slow moving items. For instance if Toblerone does not sell quickly, only have one in each room, not two.

One feature of Minibarmaster is it's ability to find slow moving stock room by room. If a room has not sold chips (say) for an extended period of time (say 2 months), Minibarmaster can produce a report to indicate these rooms, and staff can go and replace the chips. It's ability to do this rests with the fact it

tracks stock movement in every room and every day. Consequently it has the database information to produce the required report.

Increasing Revenue

Consider offering discounts on certain products to encourage guests to use the minibar. Chocolates and drinks are a favourite, but some guests may not consume them because they feel the prices are high. Discounting encourages them to consume minibar and negate the impression it is expensive. Try it for a month and see if your bottom line improves.

Ensure your store stock levels are high. You will be amazed how many hotels run out of stock and lose revenue.

Try different and unusual items in the minibar. For instance stockings or panty hose for female guests or shoe polish for male guests. Minibar isn't just about food and beverage items.

If you replace your fridges, consider using fridges with glass doors. This allows guests to see the cold drinks in the fridge and encourages them to consume them. It also results in faster checking of the fridge by minibar team members because they don't have to open the door.

How Long Should Minibar Take To Each Day?

The average hotel takes 1.2 minutes to 2.1 minutes per occupied room to check minibar. This includes checking and restocking the room, stocking the trolley, managing expired stock, posting into the PMS and ordering stock. It does not include late charging guests (front office does that during the day). We believe a hotel should take no more than 1.5 minutes per room to complete these tasks when using Minibarmaster.

Minibarmaster also includes a report that will show the average time a team member takes to check a room, as well as the number of rooms checked and a breakdown of work sessions and breaks. This allows hotel management to identify slow staff and set KPI's to improve their efficiency.

What Is Minibarmaster?

Minibarmaster is a specialised minibar solution using handheld PDAs for hotel staff to record minibar sales as they check rooms. The charges are recorded on the PDA and posted wirelessly to the guest accounts in the PMS from the floors. The charges take less than 60 seconds from the time they are entered in the PDA to the time they reach the guest accounts. In addition, because the system uses the mobile phone network as the wireless mechanism, the hotel does not need to invest in any wireless infrastructure. The system will also calculate denials, and includes reports for finding expired products in rooms, calculating staff productivity, DNDs, sales and other reports. It eliminates the need for pen and paper based recording and dramatically improves speed of checking and the speed of posting thus resulting in savings in wages and reduced denials. In addition Minibarmaster was fully developed locally for the Australian and New Zealand market places.