



Cesim Hospitality Simulation User Manual



Cesim Hospitality Simulation User Manual

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Chapter 1. About Cesim

1.1. General

Cesim provides corporations, universities, and other educational institutions easy-to-use and cost-effective business simulations that can be integrated in various business courses. Headquartered in Finland since 1996, we operate globally through our own offices and partner network.

1.2. Cesim products

Cesim offers four types of simulations to educational institutions:

- **Cesim Global Challenge®**

An on-line simulation designed for strategy and international business studies. It develops students' understanding of the complexity of global business operations in a dynamic, competitive environment.

- **SimBrand**

An on-line marketing management simulation that develops students' understanding of the marketing decision-making process as a whole, with particular emphasis on profitability.

- **OnService**

An on-line services management simulation that helps students to practice and learn service business success factors in a Small to Medium sized Enterprise (SME) environment.

- **Hospitality**

An on-line hospitality simulation that helps students to practice and learn about small scale hotel and restaurant operations.

- **SimFirm**

An entry level on-line simulation designed to develop understanding on how decisions in different functions of a company attribute to overall success in a competitive, international business environment.

Simulations can be conducted in a few days or over an entire semester. The number of simulation rounds, schedules, and team structures can be adjusted even after the course has started.

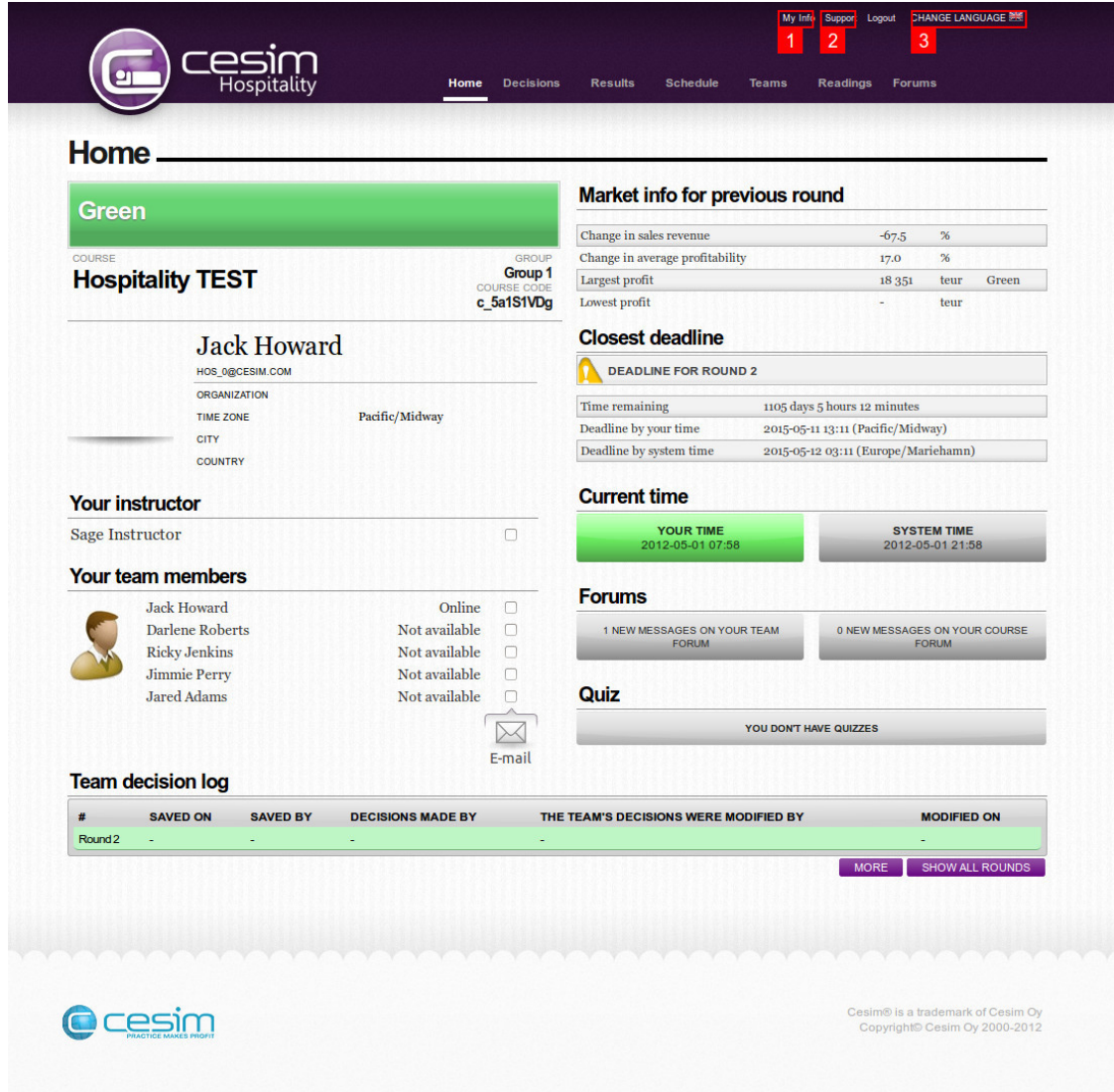
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v1.59

Chapter 2. Simulation Platform Introduction

2.1. General User-Interface Options



The screenshot displays the Cesim Hospitality user interface. At the top, there is a navigation bar with the Cesim Hospitality logo and a menu including Home, Decisions, Results, Schedule, Teams, Readings, and Forums. On the right side of the navigation bar, there are links for My Info (1), Support (2), Logout, and CHANGE LANGUAGE (3).

The main content area is titled "Home" and features a green header for the course "Green". Below this, the course is identified as "Hospitality TEST" for "Group 1" with a course code of "c_5a1S1VDg". The user profile for "Jack Howard" is shown, including his email (HOS_0@CESIM.COM), organization, time zone (Pacific/Midway), city, and country.

Other sections include "Your instructor" (Sage Instructor), "Your team members" (Jack Howard, Darlene Roberts, Ricky Jenkins, Jimmie Perry, Jared Adams), and "Market info for previous round" (Change in sales revenue: -67.5%, Change in average profitability: 17.0%, Largest profit: 18.351, Lowest profit: -). A "Closest deadline" section shows a deadline for Round 2 with 1105 days, 5 hours, and 12 minutes remaining. The "Current time" section displays the user's local time (2012-05-01 07:58) and the system time (2012-05-01 21:58). The "Forums" section shows 1 new message on the team forum and 0 new messages on the course forum. The "Quiz" section indicates that the user does not have any quizzes.

The "Team decision log" section shows a table with columns for #, SAVED ON, SAVED BY, DECISIONS MADE BY, THE TEAM'S DECISIONS WERE MODIFIED BY, and MODIFIED ON. The log shows a decision for Round 2.

At the bottom of the page, there is a Cesim logo and a copyright notice: "Cesim® is a trademark of Cesim Oy. Copyright© Cesim Oy 2000-2012".

1. My Info – Through this page, you can personalize your Cesim player account by adding personal data about yourself, as well as a picture, which will then be shown in various part of the user interface. You can also change your password here, or even your email. On the bottom of the page, there are two checkboxes for determining when you wish to receive automated email notifications.

It is highly recommended that all students use valid emails here, as otherwise they could miss important information during the game. Also, the "Forgot my password" feature works through email, making password recovery impossible through an invalid email address.

- Support – This is your best way to reach the Cesim Support team, should you run into problems or issues relating to the game functionality. Please note that for any content related questions, you should primarily contact your instructor.
- Change Language – You will find a list of supported languages for the game here. You can change the user interface language at any point of the game.

2.2. Home Page

The screenshot shows the Cesim Hospitality Home Page. At the top, there is a navigation bar with the Cesim Hospitality logo and links for Home, Decisions, Results, Schedule, Teams, Readings, and Forums. A secondary bar contains 'My Info', 'Support', 'Logout', and 'CHANGE LANGUAGE'. The main content area is divided into several sections:

- 1. Green:** A green banner indicating the current round status.
- 2. Your instructor:** A section for instructor information, including 'Sage Instructor' and a list of team members (Jack Howard, Darlene Roberts, Ricky Jenkins, Jimmie Perry, Jared Adams) with their online status and an email icon.
- 3. Market info for previous round:** A table showing performance metrics for the last round.
- Closest deadline:** A section with a warning icon and details for 'DEADLINE FOR ROUND 2', including time remaining and deadlines by user and system time.
- Current time:** A comparison between 'YOUR TIME' (2012-05-01 07:51) and 'SYSTEM TIME' (2012-05-01 21:51).
- Forums:** Two buttons showing '1 NEW MESSAGES ON YOUR TEAM FORUM' and '0 NEW MESSAGES ON YOUR COURSE FORUM'.
- Quiz:** A button indicating 'YOU DONT HAVE QUIZZES'.
- 4. Team decision log:** A table with columns for '#', 'SAVED ON', 'SAVED BY', 'DECISIONS MADE BY', 'THE TEAM'S DECISIONS WERE MODIFIED BY', and 'MODIFIED ON'. It shows data for 'Round 2'.

At the bottom of the page, there is a Cesim logo and copyright information: 'Cesim® is a trademark of Cesim Oy. Copyright© Cesim Oy 2000-2012'.

- Player Information
- Email function – Use this to easily reach your team members and instructor through emails. An easy to use checkbox allows you to choose which team members you want to reach.
- This panel shows all the important on-going data of the course. On the top you see the main indicators of the last round. Below it, you will find information about round deadlines, forums messages and quizzes.
- Team Decision Log – This feature allows you to see the decision making actions done by the team members. Please note the "Show all rounds" and "More" buttons below the panel. By default, you only

see the current round latest decision saving action. Using the additional buttons, you can expand the panel to show all rounds, and every decision saving action made during any of the rounds. Also note that decisions made while in the team decision column (more on this in the Decision Checklist part of the guide) will not be recorded in detail, only as "The team's decisions were modified by..."

2.3. Decision Checklist

Cesim simulations offer the user an innovative decision making area, through which the team members have a high level of control over the decision making process. The "Decision Checklist" is split into two general sections: The individual "Student Decision Areas", and the "Team Decision Area". Please note, that once the round deadline has passed, the round results will be calculated only based on the Team Decision Area. During each round of the game, you can easily identify changes already made by the highlighted cells on the checklist.

Decision checklist

You are on Jack Howard's decision area. None of your team members have copied decisions as team decisions. Time remaining: 1105 days. Your team members: [Progress bar]

LEGEND: [Grey] = TEAM [Purple] = CURRENT [Blue] = CHANGED

	GREEN	JACK HOWARD	DARLENE ROBERTS	RICKY JENKINS	JIMMIE PERRY	JARED ADAMS
1 Round 2						
2 Go to decision area:	Go	Go	Go	Go	Go	Go
3 Save as team's decisions		Copy	Copy	Copy	Copy	Copy
4 Import to my decision area	Import		Import	Import	Import	Import

Room rates

Weekday						
Walk-in rate	130	130	130	130	130	130
Current season ("last minute")	100	100	100	100	100	100
Next season	110	110	110	110	110	110
Next-to-next season ("early bird")	100	100	100	100	100	100
Weekend						
Walk-in rate	130	130	130	130	130	130
Current season ("last minute")	100	100	100	100	100	100
Next season	110	110	110	110	110	110
Next-to-next season ("early bird")	100	100	100	100	100	100

Desk staffing

Permanent - Weekday	1.0	1.0	1.0	1.0	1.0	1.0
Permanent - Weekend	1.0	1.0	1.0	1.0	1.0	1.0
Temporary - Weekday	2.0	2.0	2.0	2.0	2.0	2.0
Temporary - Weekend	2.0	2.0	2.0	2.0	2.0	2.0

Breakfast

Price	15.0	15.0	15.0	15.0	15.0	15.0
Quality level	Basic	Basic	Basic	Basic	Basic	Basic
Breakfast staffing - Weekday	0.0	0.0	0.0	0.0	0.0	0.0
Breakfast staffing - Weekend	0.0	0.0	0.0	0.0	0.0	0.0
Customers (% of guests)	65.0	65.0	65.0	65.0	65.0	65.0

Manager focus

Desk manager focus	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work
Housekeeping manager focus	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work
Restaurant manager focus	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work
Maintenance manager focus	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work
Hotel manager focus	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work	Fill-in work

Hotel Projections | Restaurant Projections | Projected Income Statement

The Decision Checklist offers several tools to manage the decision making process, which are explained below.

1. Round drop-menu: Use the indicated drop-down menu to select the desired round. You may select previous rounds in order to review the decisions made during the rounds, however modifications will be disabled.
2. The "Go" button allows a player to move to another team member's decision making area, or the joint team decision making area. Use caution, as any modifications will be automatically recorded on their respective area. Any modifications made directly in the team decision area will be used as final decisions when the round ends, if no further actions are taken.
3. The "Copy" button copies a player's decisions from the student area to the team area. Once copied, the previous set of decisions cannot be recovered. Decisions can be copied from Student Area to Team Area as many times as needed, before the round deadline. Please note that if decisions are made directly into the team decision column, then no additional steps need to be taken, as they will be automatically used for result calculation when the round ends.
4. The "Import" button, found on top of every decision area, transfers the decisions from the Team- or Student Area to the importing player's own Student Area. Once imported, the original decisions of the importing player cannot be recovered. The decisions on the player that are being imported from will not be changed in any way.
5. The budget for the round shows the estimated profits based on the current decisions, as well as the "change in sales %" comparable to the previous comparable round.

2.4. Decision Areas

The Decision Area is split into several theme based sub-categories (e.g. Demand, Production, etc.). Please refer to your decision making manual to determine where the decision making process should begin, and what the suggested order of the process is. Some areas should be filled out first, as the effect of those areas may influence some calculations and estimates elsewhere.

Front desk

You are on Jack Howard's decision area. | None of your team members have copied decisions as team decisions. | Time remaining: 1105 days

Room rates and estimated new reservations -

Current round | Next Round | Round after next

Room rates - Current round

	Weekday			Weekend		
	Rate	Est nr. sold		Rate	Est nr. sold	
Last minute	100	180	+10%	100	120	+21%
Walk-in	130	60	+11%	130	50	+72%
Business rate	125	150	-11%	115	60	-19%

Rooms booked

Occupancy Δ% Weekday 863/1120 (+10%) | Weekend 557/840 (+14%)

Promotion decisions

Click any title below to view details

- Internet reservation discount
- Quota for major internet intermediary
- Additional promotion for business customers
- Additional promotion for leisure travellers
- Opaque sales
- External promotor services

Desk manager focus

Fill-in work

Handling some of the work of own staff during pressure peaks.

Staffing

	Weekdays(mon-thu)	Weekend(fri-sun)	Total
Permanent	1.0	1.0	2.0
Temporary	2.0	2.0	4.0
Flexible	3.4	0.4	3.8
Total	6.4	3.4	9.8

Estimated desk workload handling

Week-days | Week-ends

The actual decisions are entered into dedicated fields within their respective areas. There are three general types of decision making fields:

1. In the white cells you enter your decisions. Some decisions like price and personnel decisions are very important to make in every round, while some, such as investments, need to be made only in some rounds depending on the strategy of your team.
2. In the highlighted cells, you enter estimates of your sales, personnel turnover and so on. These estimations act as a basis for the budgets shown in the system.
3. Drop-down menus are used in certain decisions where there are some specific options to choose from.

The system automatically updates the budgets and calculations as you make decisions

It is important to note that there are two decision making areas. The first one is the Student Decision Making Area. Each team member has their own personal decision making area, where they can freely input any figures they want to see the effects they have on the projected results. The students always start on their own student area by default, when logging into the game. After satisfactory decisions have been made on

the student area, they can easily be copied over to the second area type, the Team Decision Making Area, through use of the "Copy" button. Once copied, the decision set will be used to calculate the rounds results.

Alternatively, decisions can be made directly into the team area. To do this, a team member can move to the Team Area through use of the "Go" button. Any changes here are automatically recorded, and will be used to calculate the round results, if no other decisions are copied over. It is important to note that if a team member's decisions are copied over the decision set made directly to the Team Area, there is no way to restore the originals, unless a player has "Imported" the set into their own Student Area.

Once the round deadline is passed, the game will automatically calculate results based on the final decisions found in the Team Decision Area. Again, be sure to have copied over the decision sets from the student areas before the deadline, if decisions are not made directly into the team area.

2.5. Results

As mentioned before, the round results are calculated immediately after the deadline passes based on the decision set on the Team Area. The games also allow you to review the results from previous rounds, including possible practice rounds, at any given time during the course of the simulation by using the Results page drop-down menu. You may also utilize some special features, such as downloadable excel versions of the round results and slideshows of main indicators.

My Info Support Logout CHANGE LANGUAGE

Home Decisions **Results** Schedule Teams Readings Forums

Key figures
Hotel operations
Restaurant operations
Personnel
Facilities
Financials

Key figures

1 Hospitality TEST - Group 1

2 Round 1

3 Slides

4 Printable

5 Download

Profitability

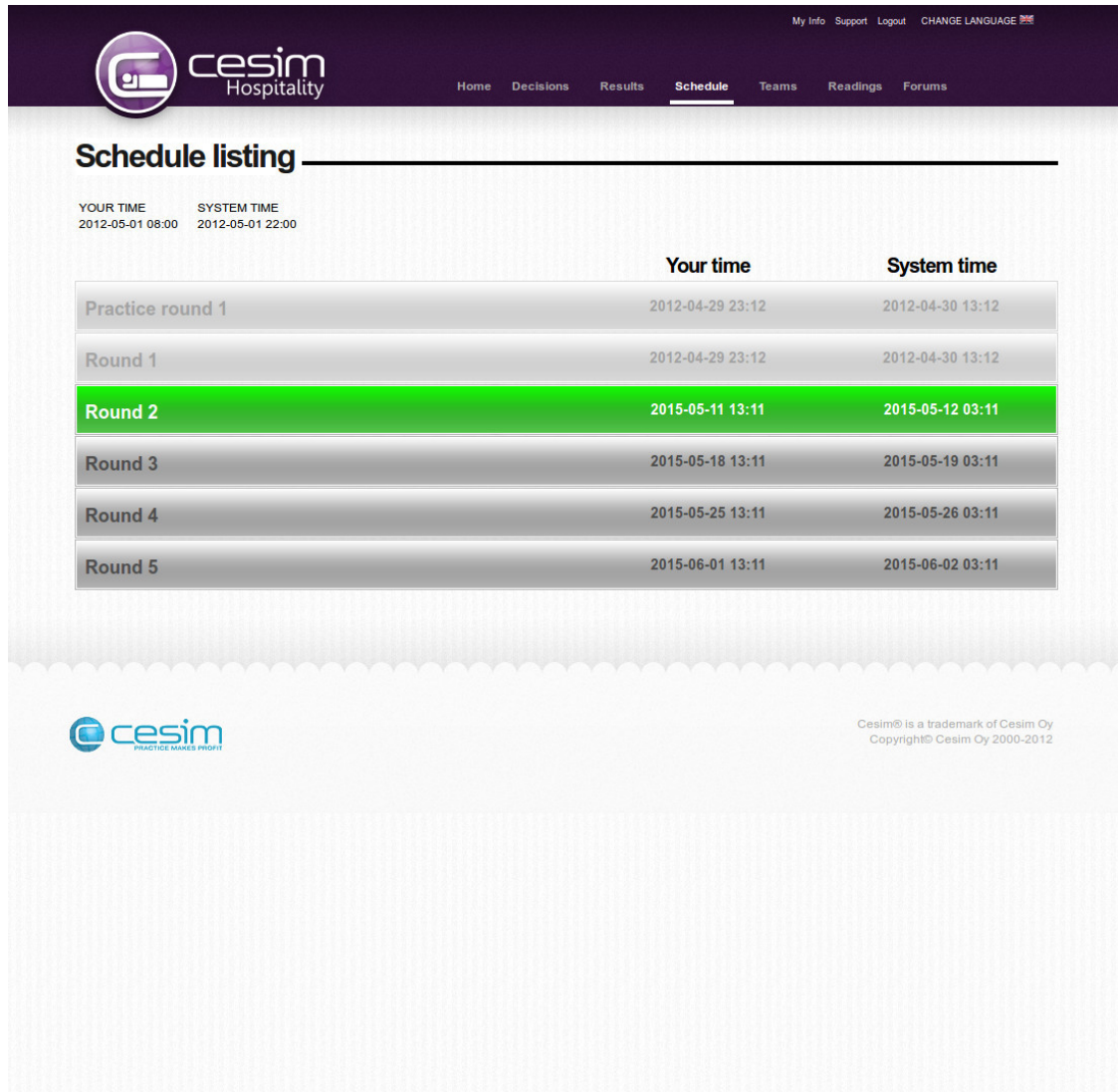
	Green	Red	Blue	Orange
EBIT%	16	16	16	16
Net Income	18 351	18 351	18 351	18 351
Gross Operating Profit Per Available Room (GOPPAR)	33	33	33	33
GOP conversion (%)	100	100	100	100
Cumulative Earnings	34 426	34 426	34 426	34 426

Return on Assets

	Green	Red	Blue	Orange
Return on Assets %, annualized	16	16	16	16
Cumulative Return on Assets %, annualized	16	16	16	16

1. The universe drop-down menu lets you choose any universe in the on-going course.
2. Use the Round drop-down menu to choose the desired round results.
3. Use the "Download" button to download an excel file of the chosen round results.
4. Use the "Slides" button to view a slideshow of the key indicators of the round.
5. Use the "Printable" button to print the round results.


2.6. Schedule



Schedule listing

YOUR TIME: 2012-05-01 08:00 SYSTEM TIME: 2012-05-01 22:00

	Your time	System time
Practice round 1	2012-04-29 23:12	2012-04-30 13:12
Round 1	2012-04-29 23:12	2012-04-30 13:12
Round 2	2015-05-11 13:11	2015-05-12 03:11
Round 3	2015-05-18 13:11	2015-05-19 03:11
Round 4	2015-05-25 13:11	2015-05-26 03:11
Round 5	2015-06-01 13:11	2015-06-02 03:11

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In the schedule section, you can see a list of the amount of rounds that have been set for the course, as well as the deadlines for each round. In cases where the user's computer time is different from the system time, this page will show the deadlines in both user time and the system time set for the course.

The simulation games are often started with practice rounds. Please note that practice round results have no effect on the results of the real rounds, and are simply used to learn game mechanics and practice forecasting results. Once the practice round(s) are over, the game will reset to the initial market situation.

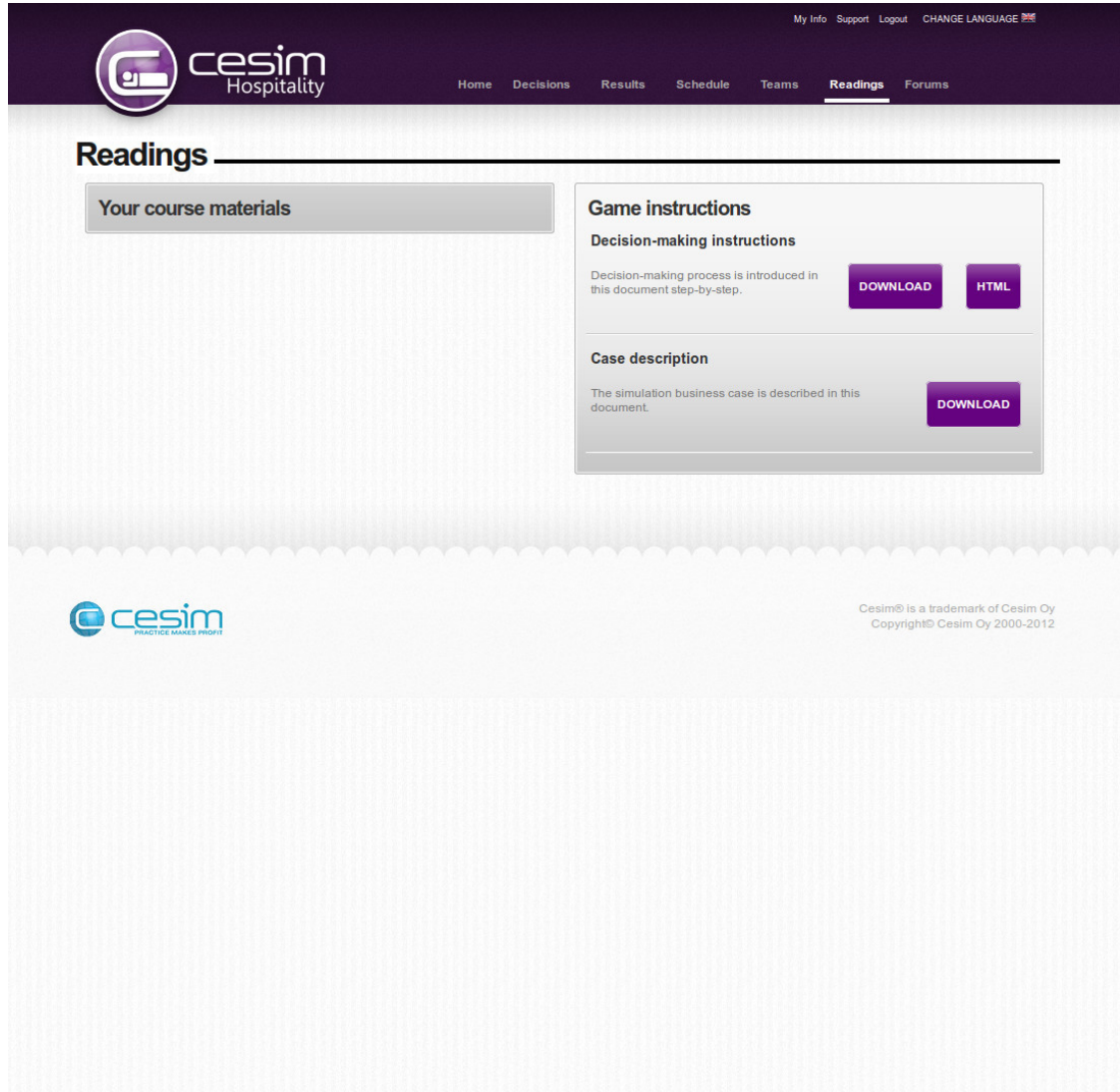
2.7. Teams area

The screenshot displays the 'Teams' section of the Cesim Hospitality interface. At the top, a dark purple navigation bar contains the Cesim Hospitality logo and menu items: Home, Decisions, Results, Schedule, Teams (highlighted), Readings, and Forums. Utility links for 'My Info', 'Support', 'Logout', and 'CHANGE LANGUAGE' are also present. Below the navigation bar, the 'Teams' title is followed by a horizontal line. On the left, a 'Groups' section contains two purple buttons labeled 'Group 1' and 'Group 2'. The main content area features four team cards arranged in a 2x2 grid. Each card has a colored header (Green, Red, Blue, Orange) and lists team members. The Green team lists Jack Howard, Darlene Roberts, Ricky Jenkins, Jimmie Perry, and Jared Adams. The Red team lists Phillip Gómez, Elsie Foster, Tracy Mitchell, Ron Hughes, and Amy Thomas. The Blue team lists Sheryl Taylor, Roger Flores, Leon Lewis, Julia Collins, and Roy Clark. The Orange team lists Andrew Scott, Nina Gómez, Teri Nelson, Kirk Campbell, and Francisco Gómez. Each card includes a 'More' link. At the bottom of the page, the Cesim logo and copyright information are visible.

The Teams area allows you to see details about players across all teams in all universes of the course. You may also edit team information, like team name, slogan and team description.

Team members may also move freely between teams until the deletion of empty teams has occurred, and the game has officially begun. Click the "Join Team" button to move to a different team. Once empty teams have been deleted and the game has begun, it is only possible for the instructor to move students between teams.

2.8. Materials



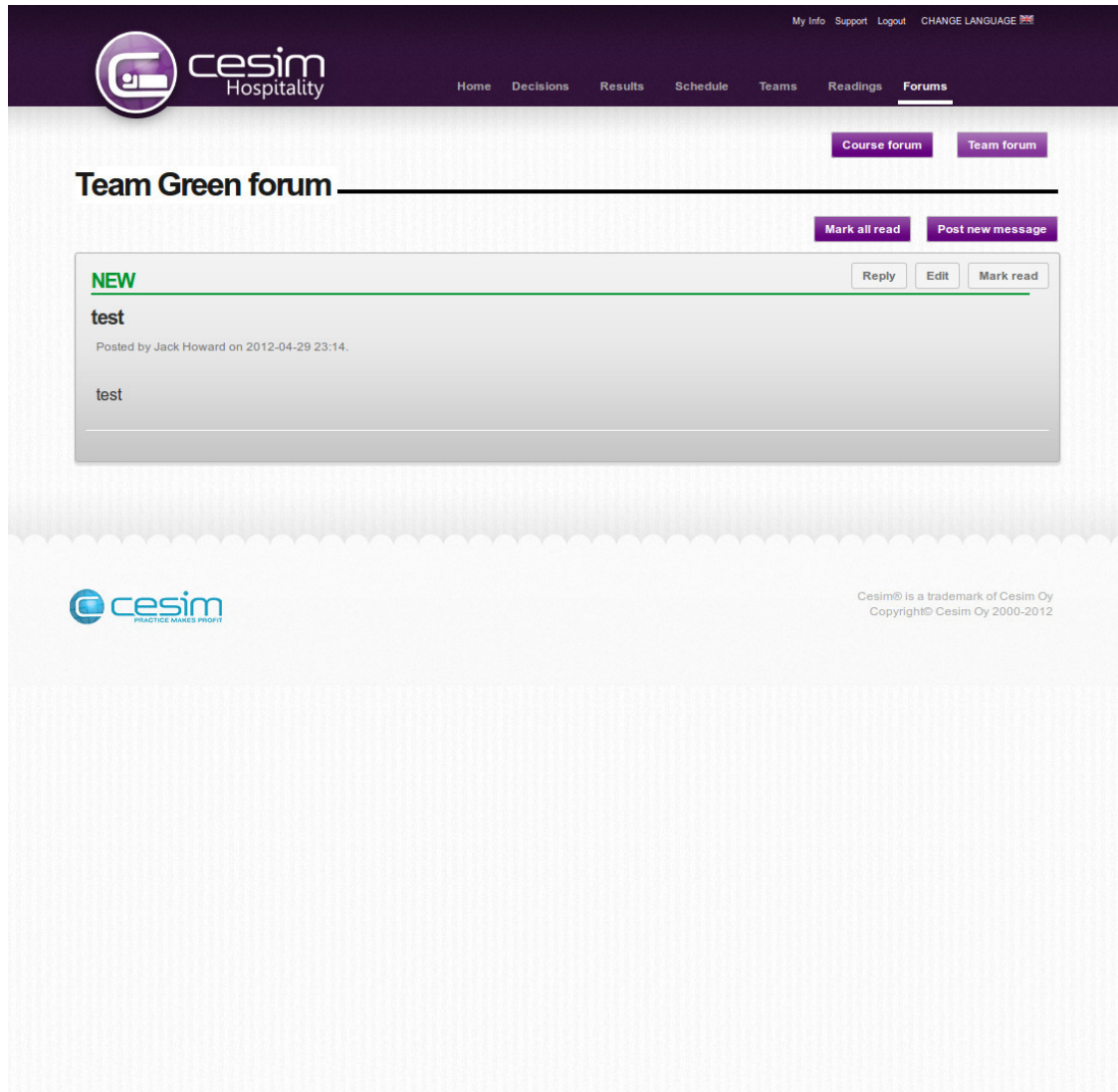
This section contains all the documentation that is needed to understand and enjoy the game. The generic reading materials will include the decision making guide and the case description. Instructors can also upload custom case specific materials here.

The decision making guide shows you the basics of the simulation, such as user-interface functionality, how to make the decisions, what should be considered when making decisions, and the general order which you should begin with each round.

The case description gives information regarding the business case that is being played during the course. It gives a general understanding of the industry situation, trends in the industry, future challenges. Certain case specific parameters may also be given in the case description.

In this section, you can also find a video tutorial of the game, if available.

2.9. Forums



The forums are a great way for the players to contact their instructors or co-players, and vice versa, when face-to-face contact is not possible. The benefit of forum usage compared to private emails is that it is easy for everyone with the rights to view the forum to contribute to the discussion.

The forums are split into a Team Forum, and a Course Forum. As the names suggest, in the Team Forum, only your team members can see the posts and reply to them. The Course Forum on the other hand is available for everyone on the course to participate in, regardless of team and universe.

Instructors are able to view and reply to forum posts in both sections. As such, the course forum is a good place to ask questions that everyone on the course can benefit from, while the team forum is the ideal place to discuss sensitive team related issues.

Unless disabled in the "My Info" section, players will get notified by email whenever something is posted on their team forum area.

Chapter 3. Hospitality Simulation

3.1. General information

The simulation is essentially a game about running a hotel, including a restaurant within that hotel. The simulation is played out in rounds. Each round represents 2 weeks of simulated time. A total of 4-12 rounds will typically be played. A number of decisions will be made for each round, and when a decision deadline for a round passes, the simulation will calculate the outcomes for that round for each team.

While we would recommend learning and having fun as the overall objectives for your simulation participation, it is also useful to have a clearly defined “winning criterion” for determining what you should aim for within the simulation. Unless your instructor specifies otherwise, your winning criterion should be to maximize the cumulative profit over all the rounds played.

3.2. Simulation flow

The simulation progresses one round at a time. For each round, you essentially make the decisions concerning the entire two-week period at once (you are free to make changes until the round deadline), then as the round deadline passes the simulation runs automatically and (almost) instantly, and you can see from the reports how things turned out. When you have reviewed the outcomes you can proceed to making decisions for the following (now current) round.

Some of the decisions (i.e. staffing, room prices) are made separately for weekends and weekdays. Weekdays here mean the period from Monday through Thursday, and weekends are interpreted as Friday to Sunday.

3.3. Hotel operations

Hotel operations are centered on the hotel rooms. Hotel operations consist of many interrelated processes that can be categorized in several ways. The functional split you can see reflected in the online menu is as follows:

- Desk functions: sales and reception desk operations (getting room reservations, checking in and checking out the patrons). The decisions made here involve room pricing, promotion decisions, desk staffing and desk manager activities
- Facilities functions
 - Housekeeping: cleaning and tidying up the rooms, public spaces and exterior areas of the hotel. The decisions made here concern overall housekeeping target level, choosing priority areas, determining the outsourcing firm used for supplementing own housekeeping staff (note: housekeeping outsourcing firms use flexible staff, also see in Personnel or Outsourcing) and housekeeping manager activities
 - Maintenance: day-to-day minor repairs, routine technical maintenance and management of small improvement projects. The decisions made here include choosing an improvement project for the round and determining maintenance manager activities
- Office functions
 - HR(Human Resources): recruitment, training and compensation decisions

- Procurement: purchasing management and purchasing
- Financial planning: estimating sales and costs to make projections about the overall viability of operational and pricing choices made

In each round, rooms are sold for current round, next round and the round following the next round (“next-to-next” round).

The total amount of hotel occupancy is measured in “room-nights”, i.e. one room can create revenue for 14 room-nights per round. Occupancy is also measured as a percentage of total room capacity used.

The hotel has a fixed amount of rooms. All the rooms are considered to be fundamentally similar, though differences and adjustments in room design, housekeeping and maintenance efforts can make some rooms better equipped, more aesthetic or otherwise different from others. Such adjustments are considered flexible so that the hotel never runs out of a particular type of room capacity unless the hotel is full.

For simplicity, some other real-life complexities are also intentionally left out of the simulation. There are no cancellations, i.e. all rooms that are booked at some point will also be occupied at the appropriate time. Room prices and all other prices are quoted without taxes, so the room rate will be received in total for each room occupied. Hotel customer volume is considered in units of “room-nights” only, making no distinction as to how many people are staying in the room or how many nights a certain customer’s stay actually lasts.

3.3.1. Promotions

There are several distinct promotions for selection through which the hotel may be promoted. Each of the promotions has a different kind of effect, and the costs of the promotions vary. By clicking on the promotion name in the decision interface in the game, you will find detailed description of the promotions and their functions.

You can find more information about hotel customer volumes, work needed to keep the operations running, customer satisfaction, personnel and profitability in the respective chapters.

Internet Reservation Discount

Your hotel manager may opt to offer discounts on room reservations made through the hotel’s webpages. Web discounts are a good way to sell some additional rooms during low occupancy seasons, however it may prove difficult to sell the rooms at their normal price if this promotion is used intensively for longer periods of time. Customers have a tendency to get used to the lower price, and thus be unwilling to pay the higher price for the same quality room.

Quota for major internet intermediary

With this promotion option, the manager chooses to collaborate with a major internet intermediary. A renewing quota of 10 rooms is granted to the intermediary, meaning these 10 rooms will be kept free until 24 hours before stay. This can result either in increased sales, or unoccupied rooms during peak times when otherwise the rooms would have sold through conventional means.

Additional promotion for business customers

Through this option, the manager will reach out through various business related publications and loyalty programs to business customers and in doing so increase the volume of business rate customers.

Additional promotion for leisure customers

The hotel manager can promote the hotel in various travel magazines and publications to increase the volume of leisure customers.

Opaque Sales

The use of the opaque sales promotion implies selling rooms anonymously through a sales operator at considerable discounts. The benefits of this promotion are filling occupancy gaps without a major deteriorating influence on the hotel image.

External promoter services

Using a professional promoter can be considered as something of a remedy, in case the hotel manager notices a situation where the hotel is falling behind the competition in terms of hotel attractiveness and visibility. The promoter will fine-tune the hotels online visibility, offer suggestions on improving image management, actively contact travel agencies, etc. The effect of promoter services on sales can be rather limited, if the hotel is already considered attractive and visible.

The screenshot displays the Cesim Hospitality software interface. At the top, there is a navigation bar with options like Home, Decisions, Results, Schedule, Teams, Readings, and Forums. Below this, a secondary menu includes Tutorial, Outlook, Desk, Breakfast, Restaurant, Housekeeping, Maintenance, HR, Procurement, and Checklist. The main content area is titled 'Front desk' and includes several key components:

- Front desk status:** A notification bar indicating the user is on Jack Howard's decision area, that no team members have copied decisions, and a time remaining of 1105 days.
- Room rates and estimated new reservations:** A section with tabs for 'Current round', 'Next Round', and 'Round after next'. It features a table for 'Room rates - Current round' and a 'Rooms booked' bar chart.
- Desk manager focus:** A section titled 'Desk manager focus' with a 'Fill-in work' dropdown menu. It includes a 'Staffing' table and an 'Estimated desk workload handling' bar chart.
- Promotion decisions:** A section titled 'Promotion decisions' with a list of options and checkboxes, including 'Internet reservation discount', 'Quota for major internet intermediary', 'Additional promotion for business customers', 'Additional promotion for leisure travellers', 'Opaque sales', and 'External promoter services'.
- Navigation and Footer:** At the bottom, there are buttons for 'Hotel Projections', 'Restaurant Projections', and 'Projected Income Statement'. The Cesim logo is in the bottom left, and a copyright notice is in the bottom right.

	Weekday		Weekend	
	Rate	Est nr. sold	Rate	Est nr. sold
Last minute	100	+0% 180	+10% 100	+0% 120
Walk-in	130	+0% 60	+11% 130	+0% 50
Business rate	125	+0% 150	-11% 115	+0% 60

	Weekdays(mon-thu)	Weekend(fri-sun)	Total
Permanent	1.0	1.0	2.0
Temporary	2.0	2.0	4.0
Flexible	3.4	0.4	3.8
Total	6.4	3.4	9.8

3.4. Restaurant operations

The screenshot displays the Cesim Hospitality web interface for the Restaurant section. At the top, there is a navigation bar with 'cesim Hospitality' logo and various menu items like Home, Decisions, Results, Schedule, Teams, Readings, and Forums. Below this, a secondary navigation bar lists functional areas: Tutorial, Outlook, Desk, Breakfast, Restaurant (highlighted), Housekeeping, Maintenance, HR, Procurement, and Checklist. The main content area is titled 'Restaurant' and includes three informational boxes: 'You are on Jack Howard's decision area.', 'None of your team members have copied decisions as team decisions.', and 'Time remaining: 1105 days'. The central focus is two tablet-like screens. The left screen, titled 'MENU', lists 'MAIN COURSES' with four items: 'VEGETABLE SALAD CLASSIC' (6.00 €), 'CHICKEN SOUP CLASSIC' (9.00 €), 'SALMON STEW CLASSIC' (13.00 €), and 'FRIED SALMON CLASSIC' (15.00 €). The right screen, titled 'BEVERAGES', shows a 'Beverage margin, % of sales price (max=80)' set to 70. It offers four selection options: 'Short', 'Typical' (selected), 'Wide', and 'Parade'. The 'Typical' list includes 'La Chamiza Malbec', 'Trapiche Cabernet Syrah', 'Organically grown grapes', 'Trapiche Tempranillo', and 'Caballo de Mendoza'. A note states: 'The preparation for this beverage selection choice in this round will cost 500 €, while this selection will keep the beverage sales stable.' At the bottom of the interface, there is a footer with the Cesim logo and copyright information, and a navigation bar with 'Hotel Projections', 'Restaurant Projections', and 'Projected Income Statement'.

Restaurant operations take place in the hotel's restaurant, and are functionally split to kitchen side and dining hall side. In the kitchen, cooks prepare food for customers based on the orders. In the dining hall, waiters receive customers, take and deliver customer orders and bill the customers.

The restaurant is open for business a fixed amount of hours every week.

Each customer is considered to order exactly one main dish, i.e. one of the four alternatives on your menu, as desired by the customer. In addition, each customer will order some amount of beverages.

For the beverage selection, the more complex beverage list you choose to offer your customers, the more attractive your bar will be for the customers. However, a wider beverage list will also have a higher fixed cost that is used for the beverage preparation and other relevant operations. The fixed cost for each beverage list can be found in the parameter table on the right of outlook page in the game.

You can find more information about restaurant customer volumes, work needed to keep the restaurant operations running, customer satisfaction, restaurant personnel and restaurant profitability in the following chapters.

3.5. Reports

There are a number of reports at your disposal in the Results section online. These reports provide you with much information about your hotel and restaurant operations. As in real life, you will probably find information that you do not consider relevant for you. Also like in real life, you may notice that there are some things you would like to know in more detail but are not included in the reports. In some cases, you may be able to figure out the piece of information you need by creatively combining multiple pieces of data. In other cases, you will just have to manage the operations without knowledge of all the details.

Keep in mind that the results shown in the reports are always historical, i.e. they describe what has already happened during earlier rounds, whereas your decision-making always concentrates on the “current” two-week round.

For clearer accountability, restaurant operations are reported on separate restaurant reports. The restaurant operates in hotel premises and utilizes the same housekeeping, maintenance, HR and procurement functions as do the hotel operations. The separate reporting is legitimized by the fact that the restaurant has its own personnel, revenue, cost structure and clientele - even though a few of the hotel guests also dine there.

In addition to the results for your own team, you will also have access to comparable information about the other teams’ operations. This data is available to provide you with the opportunity to learn from other teams’ success, mistakes and strategic approaches. Analysis across all the teams may provide you with significant advantage in decision-making.

Chapter 4. Customer volumes

The customer volume for hotel operations is measured as room-nights stayed. Hotel occupancy is the number of stayed room-nights as a percentage proportion of maximum possible room-nights for a round. For restaurant operations, customer volume simply refers to number of restaurant customers.

4.1. Hotel customers

The key drivers of hotel room demand are long-term customer satisfaction, pricing and presentation.

Good customer satisfaction creates favorable word-of-mouth effects as well as returning customers. See section “Hotel customer satisfaction” for more details.

In addition to the basic “same thing for cheaper price is better” effect, pricing also has a longer-term price image effect, i.e. continued low pricing leads to a deteriorated price image, which makes potential customers and travel agents less willing to pay a higher price in the future.

How the hotel is presented in the multitude of sales promotions used will also influence demand. The promotion decisions offer some possibilities for controlling this.

Even after careful analysis, room demand is difficult to predict in advance as it always depends to some extent on the competitors – that is, how the other teams in your group decide to run their own hotels. Even so, it is vital to aim for good estimates because surprises in sales volumes will tend to result in either excess cost due to ad hoc operational adjustment needs on a day-to-day level or lost revenue opportunities due to suboptimal pricing.

For pricing purposes, what matters here is not what a particular room is like but whether the room is sold as:

- a walk-in rate room (usually applied to anyone making a reservation directly to the hotel for the same day, or actually entering the hotel in person to ask for a room)
- last-minute rate room (i.e. other reservations made during current round for current round)
- regular rate room (sold one round before stay) or
- an early-bird room (sold two rounds before stay, i.e. currently sold for next-to-next round)
- a business rate room (sold on short notice during the round of stay, but for a predetermined price)
- rooms for conference customers (sold a long time in advance for a negotiated price)

Front desk

You are on Jack Howard's decision area. | None of your team members have copied decisions as team decisions. | Time remaining: 1105 days

Room rates and estimated new reservations -

Current round | Next Round | Round after next

Room rates - Current round

	Weekday		Weekend	
	Rate	Est nr. sold	Rate	Est nr. sold
Last minute	100 +0%	180 +10%	100 +0%	120 +21%
Walk-in	130 +0%	60 +11%	130 +0%	50 +72%
Business rate	125 +0%	150 -11%	115 +0%	60 -19%

Rooms booked

Occupancy Δ%: Weekday 863/1120 (+10%) | Weekend 557/840 (+14%)

Promotion decisions

Click any title below to view details

- Internet reservation discount
- Quota for major internet intermediary
- Additional promotion for business customers
- Additional promotion for leisure travellers
- Opaque sales
- External promotor services

Desk manager focus

Handling some of the work of own staff during pressure peaks.

Staffing

	Weekdays(mon-thu)	Weekend(fri-sun)	Total
Permanent	1.0	1.0	2.0
Temporary	2.0	2.0	4.0
Flexible	3.4	0.4	3.8
Total	6.4	3.4	9.8

Estimated desk workload handling

Week-days | Week-ends

Hotel Projections | Restaurant Projections | Projected Income Statement

Any room in this hotel can be sold at any of these six different rates. So for practical pricing purposes all the rooms are alike, even though individual rooms may in fact have somewhat different amenities, design etc.

The business rate is based on contracts made in advance, and can only be changed a couple of times every year, when these contracts are renegotiated.

On some occasions, a large number of rooms is reserved a long time in advance by some event organizer. Such events include major fairs in town, weddings, large corporate gatherings etc. All of these are collectively referred to as “conference customers”, and their room rate is usually negotiated several months or years before the actual stay.

Note that the other teams competing in the same simulation group represent a significant portion of hotel industry in town, and thus the actions of other teams will significantly affect your market conditions.

4.2. Restaurant customers

Your menu, service quality, table arrangement and other decisions will determine how many customers your restaurant attracts. Your beverage list and beverages pricing margin will affect how much your customers spend on beverages.

There tends to be a smaller number of customers in the restaurant during the weekdays. Restaurant customers also tend to favor low-price dishes more on weekdays. One possible explanation for this behavior could be a higher “celebration motivation” during weekends.

Word-of-mouth and customer loyalty effects create significant long-term demand consequences. Good customer satisfaction should be aimed at cultivating a positive reputation. There are many alternative approaches that you can use to achieve this. However, the customer number can't be infinite, and the maximum customer number depends on the capacity of your restaurant.

Note that the hotel restaurants of the other teams in your simulation group only represent a small fraction of all the restaurants in town. This means that the other teams will affect your success much less in the restaurant business than on the hotel side.

Chapter 5. Service quality and customer satisfaction

5.1. Service quality

The overall customer experience is strongly affected by service quality achieved by each function. This in turn depends on whether each function is sufficiently staffed with respect to the service level aimed at, how capable the staff is, staff satisfaction (more satisfied people tend to create a better service experience for the customer) and what kind of service level is consciously aimed at.

Note that aiming at a very high service level with insufficient or low-skill personnel will most likely lead to significant staff stress and relatively poor actual service quality.

5.2. Hotel customer satisfaction

Almost every aspect of hotel operations has an impact on customer satisfaction. The components of satisfaction can be characterized as satisfaction in service, facilities, cleanliness, atmosphere and hotel-external determinants.

Satisfaction in service depends on service quality level achieved in desk, housekeeping and maintenance functions. In addition, restaurant service also affects hotel customer satisfaction to some extent, as some of the hotel customers also dine in the restaurant.

Facilities satisfaction can be influenced by improvement projects carried out by the maintenance function.

Cleanliness is a primary responsibility of the housekeeping function. It is affected by the chosen priority areas, overall target level, as well as employee skill level.

Atmosphere can be difficult to control directly, but a good first impression gained already during reception will contribute, and staff satisfaction also plays a role in this.

Hotel-external determinants – such as hotel location and the availability of services, public transport nodes and other sites of interest near the hotel – are difficult to change. However, some opportunities may arise for adjusting how the hotel customers perceive the existing location and neighborhood.

5.3. Restaurant customer satisfaction

The determinants for restaurant customer satisfaction are largely comparable to those for hotel. The restaurant menu is a further significant determinant, especially in terms of price per benefit as experienced by the customers.

Chapter 6. Work: keeping the operations running

The entire staff is needed to keep the hotel and restaurant operations running. The amount of work to be done in each function depends on customer volumes, service level decisions and operational choices made. Some part of the work in each function is independent of customer volumes.

6.1. Desk work

Desk personnel will spend time on check-ins, check-outs and dealing with any questions or requests the hotel guests bring forth. This part of the work is directly dependent on guest volumes in the period. In addition, some sales-related work time is needed for taking reservations for the current and forthcoming periods. The amount of sales-related work depends on the volume of the reservations made in the period.

6.2. Housekeeping work

The bulk of housekeeping work consists of room cleaning. One housekeeper will manage a certain number of room-nights worth of room cleaning in a week. This amounts to a specific time consumption per room cleaned, depending on cleaning quality aimed at. Each occupied room is cleaned daily. Note that room cleaning includes not just cleaning as such but also other preparatory work done for each room on a daily basis, such as changing towels, rearranging the brochures and other materials in each room, replacing used room consumables etc. A relatively smaller amount of housekeeping work is needed for cleaning public and staff spaces. Note that in the housekeeping function, flexible staff are considered as outsourcing firm employees, thus allowing for increased cost/quality control of workforce outside the hotels own employees. You can even opt to use only outsourcing firms for cleaning, thus eliminating the need for own housekeeping staff.

6.3. Maintenance work

The overall amount of work for the maintenance staff is somewhat stable over time, but depends to some extent on customer volumes. Different improvement projects undertaken will also take a certain amount of maintenance staff work – for managing and supporting any outsourced work involved.

The chosen area of improvement will show as improved facility condition and as better customer satisfaction during the current round, and the better satisfaction in turn will affect sales during the next round.

6.4. Kitchen work

Kitchen work depends on the number and type of dishes sold in the restaurant. Your restaurant manager and lead cook prepare an estimate for food preparation work required based on your dish choices and restaurant sales estimates. See the restaurant view for details. In addition to food preparation work, there is a small fixed amount of other work to be done by the kitchen staff, i.e. such tasks as materials storage handling, equipment maintenance etc.

6.5. Dining hall work

The dining hall staff tends to adjust their service style according to how busy they are. In a rush, the orders are taken as quickly as possible, whereas a more social and helpful style can be used when there are not so many customers for each waiter. The more waiters you have assigned to be on shift, and the less customers

there are, the more time each waiter has available for each customer. This in turn will have a strong impact on the overall restaurant service as experienced by the customer.

6.6. Manager work

The work load of each manager consists of numerous interlinked activities. There are both customer volume dependent and volume-independent elements. Manager focus decision will also have workload implications for the manager. The “fill-in work” focus is a special case. This choice means that the manager will try to spend time in normal staff work within the function – provided there is any time available after the necessary operational management duties.

6.7. Breakfast

The screenshot displays the 'Breakfast' decision page in the Cesim Hospitality system. The page includes a navigation menu with options like Home, Decisions, Results, Schedule, Teams, Readings, and Forums. The main content area features several decision parameters:

- Price:** 15 (0%)
- Quality level:** Basic (selected), Standard, Deluxe
- Customers (% of guests):** 65 (N/A)
- Breakfast staffing:** Weekdays(mon-thu) and Weekend(fri-sun)
- Staff:** 0 (0)
- Customers per day:** 98 (Weekdays) and 84 (Weekend)

A bar chart shows 'Unsatisfied demand' with values of 98 for Weekdays and 84 for Weekend. A cartoon waiter in a tuxedo is standing next to the decision panel, holding a tray.

At the bottom of the page, there is a footer with the Cesim logo and navigation links for Hotel Projections, Restaurant Projections, and Projected Income Statement. A small note states: 'Cesim® is a trademark of Cesim Oy. © Cesim Oy 2000-2012'.

You can find the breakfast decisions page if the breakfast module is activated by your instructor.

Your hotel provides breakfast for 4 hours every day during both weekdays and weekend. You can make decisions of breakfast price, quality level and staffing in this page.

Breakfast price must be consistent with room ADR. Too high breakfast price/ADR ratio will dramatically decrease the demand. Usually the breakfast price is 10%-15% of ADR.

There are three quality levels for your breakfast, which are basic, standard and deluxe. They have different costs and workload level, and the demand can be also influenced by your selection.

You can estimate the number breakfast customers as a percentage of your total hotel customers. Note that your total hotel customers will be more than the “room night staying” in this round, because there can be more than one customer in a room. For a normal hotel, the share of customers having breakfast is around 60%.

The staffing decisions for the breakfast staff can be made for weekdays and weekend respectively. On average, one person can take care of 40 customers during the breakfast time. Low staffing level will lead to unsatisfied breakfast demand, which means that all of the potential breakfast customers are not served.

Chapter 7. Personnel

Dozens of people are needed to keep the hotel operations running. In addition to the hotel’s own staff, outsourced labor may be used to perform tasks at the hotel.

7.1. Staffing plans

Front desk

You are on Jack Howard's decision area. | None of your team members have copied decisions as team decisions. | Time remaining: 1105 days

Room rates and estimated new reservations -

	Weekday				Weekend			
	Rate	Est nr. sold	%	Est nr. sold	Rate	Est nr. sold	%	Est nr. sold
Last minute	100	+0%	180	+10%	100	+0%	120	+21%
Walk-in	130	+0%	60	+11%	130	+0%	50	+72%
Business rate	125	+0%	150	-11%	115	+0%	60	-19%

Rooms booked

Occupancy Δ%: Weekday 863/1120 (+10%) | Weekend 557/840 (+14%)

Promotion decisions

- Internet reservation discount
- Quota for major internet intermediary
- Additional promotion for business customers
- Additional promotion for leisure travellers
- Opaque sales
- External promotor services

Desk manager focus (Fill-in work)

Handling some of the work of own staff during pressure peaks.

	Weekdays(mon-thu)	Weekend(fri-sun)	Total
Permanent	1.0	1.0	2.0
Temporary	2.0	2.0	4.0
Flexible	3.4	0.4	3.8
Total	6.4	3.4	9.8

Estimated desk workload handling

Weekdays: [Bar chart showing workload for weekdays]

Weekends: [Bar chart showing workload for weekends]

Hotel Projections | Restaurant Projections | Projected Income Statement

For reception desk personnel, you must make a staffing plan for the number of staff members in different staff groups for the current round (separately for weekends and weekdays).

From the Desk page, you can decide how many staff members you want to use to meet the needs that you estimate for the following round. If you fail to make an appropriate plan, you will have either idle staff capacity or insufficient workforce. The workload chart shows an estimated workload according to your room night sales estimations and available capacity based on your decisions. If you don't have enough

permanent or temporary staff, there will be flexible staff recruited automatically to fulfil the gap between the workload and capacity.

The screenshot displays the 'RESTAURANT MANAGER FOCUS' interface. It features a 'Staffing' table with the following data:

	Cooks	Waiters
Permanent	1.0	1.0
Temporary	2.0	2.0
Flexible	2.4	0.0
Total	5.4	3.0

A bar chart titled 'Kitchen workload handling' shows workload for 'Cooks' and 'Waiters'. The 'Cooks' workload is represented by a yellow bar, and the 'Waiters' workload is represented by a blue bar. The 'Cooks' workload is significantly higher than the 'Waiters' workload.

The interface also includes a 'Fill-in work' dropdown menu with the text: 'Handling some of the work of own staff during pressure peaks, especially in dining hall.' Below the table, a note states: '(if either staffing is too low, expect a reduction in customer satisfaction and sales)'. At the bottom of the interface, there are three navigation buttons: 'Hotel Projections', 'Restaurant Projections', and 'Projected Income Statement'.

A similar decision making process is to be used on the restaurant side, where you can decide how many cooks and waiters you expect to have in the kitchen and dining hall during the week.

The exact level of staff need will depend significantly on how many customers there will be. If your actual staff need in some work shift proves to be different from your plan, you will incur some extra costs for overstaffing or quality problems due to understaffing if there is not enough flexible staff in the labor market. You may also deliberately choose to under- or overstaff to optimize your service quality – cost tradeoff.

Note that flexible staff is only used in those functions where you also make a staffing plan (desk, kitchen and dining hall). Other functions use outsourcing instead.

7.2. Staff groups

As mentioned in the previous section, there are three staff groups: permanent, temporary, and flexible. Outsourced personnel are not considered a part of your hotel staff.

When not otherwise occupied, the managers in each function can also fill in, i.e. help or substitute for other staff members within the same function to perform some urgent tasks.

So all in all, there are three different staff groups and managers working to keep the hotel operations running:

Personnel count

Function	Permanent	Temporary	Flexible
Desk	2	4	4
Breakfast	0	1	0
Housekeeping	10	5	0
Kitchen	1	2	0
Waiters	1	2	0

Target staff levels (excluding flexible staff) ©

	Desk	Breakfast*	Housekeeping	Kitchen	Waiters
Permanent	2	-1	0	+0	10
Temporary	4	+0.2	5	+0	2

* Breakfast has only one staff group

Temporary staff policy
Use the same temporary people as often as possible minimizes the work involved in introductory hands-on training and assessing candidates

Training of permanents
No training on current round.(cost 0 € per permanent staff member or manager)

1. First, there is permanent staff. This is the core of your staff in every functional area. These people tend to be the most experienced and skillful. Apart from vacations and sick leaves, permanent staff continues to be present every week regardless of fluctuations in total work load. Making changes to the number of your permanent staff means recruiting new permanent personnel or laying off existing staff, both of which will generate some extra costs.
2. Temporary staff can be used for adapting personnel levels to workload fluctuations between different periods, i.e. having different numbers of temporary staff on different rounds. You can freely change the number of temporary staff between rounds. Temporary staff is used in the desk, housekeeping and restaurant functions (i.e. not in maintenance).
3. Flexible staff is used only in desk and restaurant functions. Flexible staff consists of people that are asked to handle a shift on short notice every now and then, depending on how the actual day-to-day situation develops. The added flexibility is also reflected as higher compensation. This staff also tends

to be the least skillful, or at least not very knowledgeable of how things are usually done in your hotel. If your staffing plans for front desk or for restaurant cannot be fully covered with permanent and temporary staff, flexible staff is hired to cover the gaps. However, in theory, it is possible that there will not be enough flexible staff. You can also consciously plan to cover some of the need with flexible staff, by recruiting less temporary and permanent staff than is needed for meeting your planned staffing levels. Flexible staff levels adjust up and down automatically according to need.

- The manager of each function can choose “fill-in work” as his or her focus for the round. This means that the manager will perform normal staff work within the function with any time that may be available after the necessary operational management duties. This will mean that no other focus area can be chosen by the manager for the particular round.

As a clarification, please note that staff is separated not only by staff classes (permanent, temporary, flexible) but also by functions (desk, housekeeping, maintenance, kitchen, dining hall).

7.3. Outsourcing

The screenshot displays the 'Housekeeping' decision interface in the Cesim Hospitality software. At the top, there is a navigation bar with options like 'Home', 'Decisions', 'Results', 'Schedule', 'Teams', 'Readings', and 'Forums'. Below this, a sub-menu includes 'Tutorial', 'Outlook', 'Desk', 'Breakfast', 'Restaurant', 'Housekeeping', 'Maintenance', 'HR', 'Procurement', and 'Checklist'. The main content area is titled 'Housekeeping' and contains several interactive panels:

- Head housekeeper focus:** A dropdown menu is set to 'Fill-in work'. Below it, a text box explains: 'Handling some of the work of own staff during pressure peaks.' A 'Housekeeping Staffing' button is visible.
- Overall HK target level:** Five buttons represent different quality levels: 'Luxurious', 'Polished, extras', 'Nice & clean' (selected), 'Clean', and 'Acceptable'. A descriptive text below states: 'A list of room preparation tasks is completed for each room each day when occupied, in addition to pre-scheduled less frequent housekeeping chores cycle. Similar procedures are also in place for other spaces within hotel grounds.'
- Choose housekeeping priority areas:** A list of checkboxes for various hotel areas. The checked areas are 'Reception area' and 'Transit areas'. Other unchecked areas include 'Room cleaning', 'Room specials', 'Staff-only areas', 'Restaurant & bar areas', 'Conference area', 'Spa area', 'Outdoor pool area', 'Garden', and 'Front/street'.
- Type of HK outsourcing firm used:** Five buttons represent different outsourcing firm types: 'Least costly' (selected), 'Low-cost, small', 'Mid-priced, large', 'High end firm', and 'The Best'. A descriptive text below explains: 'Use the least costly firm (cost 6.00 € per occupied room per day). This is the least costly firm you could find. They will probably provide a minimized amount of workforce, and the workforce is not paid well. As a result, there may be some quality problems - but probably nothing dramatic.'

An illustration of a housekeeper in a blue dress and white apron stands in a hotel room, which is shown in a stylized, yellow-tinted drawing. The room contains a bed, a desk, and a chair.

At the bottom of the interface, there is a footer with the Cesim logo and three navigation buttons: 'Hotel Projections', 'Restaurant Projections', and 'Projected Income Statement'. A small copyright notice on the right reads: 'Cesim® is a trademark of Cesim Oy Oy 2000-2012'.

There are two areas where much of the work required is routinely outsourced: room-cleaning and facilities improvements. Breakfasts are also outsourced if your breakfast module is not activated in your course. Cost-wise, these are parts of housekeeping costs, maintenance costs and other operational costs, respectively.

Room-cleaning (including the full daily room-tidying routines) can be performed by hotel cleaning companies charging per room cleaned. Various hotel cleaning companies with different price levels and service quality are available. It is possible to handle any fraction or all of the room-cleaning needs through such an external hotel cleaning company, but you may also choose to resort to your own hired staff. This is simply an outcome of how many own staff members you have – if your own staff is not enough to handle the housekeeping workload, outsourcing will automatically be used to cover the rest.

In addition, all laborious facilities improvement projects are usually bought from external contractors. This does require some project supervision and other help from the hotel's own maintenance staff, though.

In case the optional breakfast module is not selected by your instructor, hotel accommodation price includes breakfast. In this hotel, breakfast is produced and served by a specialized hotel breakfast provider company. The hotel's restaurant and bar area is used for serving the breakfast. The breakfast outsourcing cost is based on the number of hotel room-nights. Additionally the unit cost for breakfast in each round varies. Breakfast costs are calculated automatically, and considered as other operational costs. They cannot be directly affected by the player.

7.4. Staff skill and training

The screenshot displays the 'Staff Office' interface in the Cesim Hospitality simulation. A central window titled 'Skill levels' shows a bar chart and a data table. The bar chart compares 'Current' staff levels (blue) with 'Recruits (est.)' (yellow), 'Temporary' (green), and 'Flexible' (orange) staff across five departments: Desk, Breakfast, Housekeeping, Kitchen, and Waiters. The 'Current' staff level is consistently 1.2 across all departments. The 'Recruits (est.)' level is 0.67 for Desk, Kitchen, and Waiters, and 0.67 for Housekeeping. The 'Temporary' and 'Flexible' levels are 0.0 for all departments.

Skill level estimates	Desk	Breakfast	Housekeeping	Kitchen	Waiters
Old permanent staff	1.2	0.0	1.2	1.2	1.2
New recruited permanent staff	0.7	0.7	0.7	0.7	0.7
Temporary	0.7		0.7	0.7	0.7
Flexible	0.7		0.7	0.7	0.7

Below the table, there are two dropdown menus: 'Use the same temporary people as often as possible' and 'No training on current round (cost 0 € per permanent staff member or manager)'. The interface also shows a sidebar with sections like 'Hotel manager for', 'Staff-centered work', 'Staff compensation', and 'Key personnel costs'.

For simplicity, each staff group is considered to have just a single general “level of skill”. This represents the entire complicated set of skills, capabilities, experience and personalities of the people within that group. You can estimate the skill levels for all your staff groups during this round to make better estimation for your available workload capacity.

Skill affects both how much work a person can handle in a given amount of time and how well the work gets done. Using high-skill personnel will result in needing less people for the same amount of work, and also in generating better service quality for the function in question.

Temporary and flexible personnel overall tend to be less skilled than permanent personnel. Temporary and flexible personnel only get brief new-employee training, whereas permanent personnel will benefit from significantly more training over time.

7.5. Staff satisfaction and stress

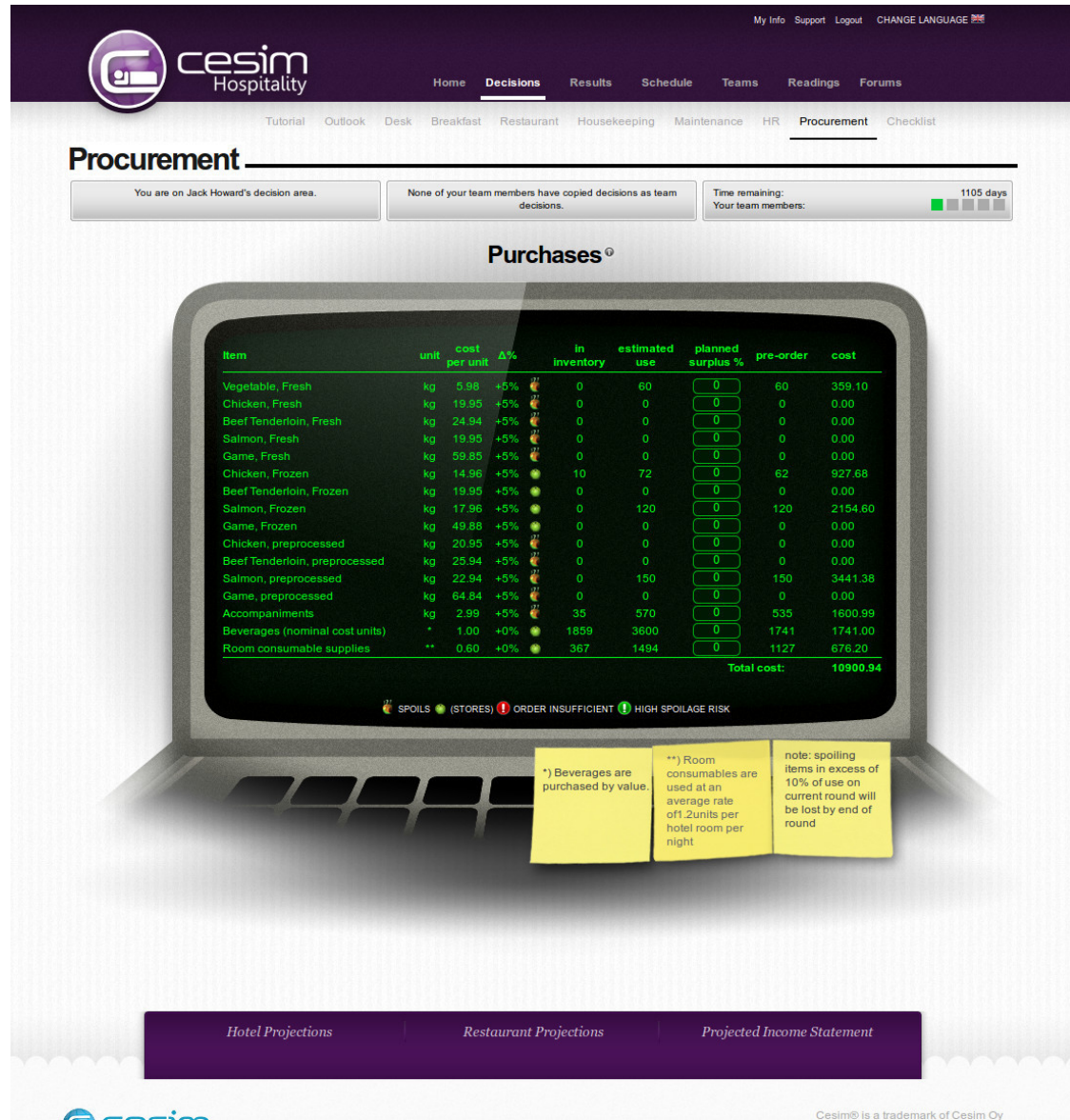
Staff satisfaction is the result of many factors. Stress, compensation, staff-only facilities, hotel reputation and manager behaviour (in turn strongly influenced by the manager's satisfaction) all play significant roles.

Staff stress is a function of the gap between target service level and actual service levels. Target service level is usually 100%, but for housekeeping, the target level depends on your decisions. The actual service levels on the other hand are calculated based on factors such as staff skill, workload actually handled by the staff, time available for service per customer (i.e. number of staff in relation to number of customers), staff satisfaction level (based on historical satisfaction) and manager focus. It affects profits and losses to the extent of marginally increasing or decreasing the amount of workload that the staff can handle. The profit/loss would be reflected in the cost of staff and revenues affected by the service level. Extended stress tends to reduce staff satisfaction, which in turn will also affect the amount and quality of work performed by each person.

Chapter 8. Support functions

The following functions support all of the hospitality operations, including both the hotel and restaurant side.

8.1. Procurement



Procurement

You are on Jack Howard's decision area. | None of your team members have copied decisions as team decisions. | Time remaining: 1105 days

Purchases®

Item	unit	cost per unit	Δ%	in inventory	estimated use	planned surplus %	pre-order	cost
Vegetable, Fresh	kg	5.98	+5%	0	60	0	60	359.10
Chicken, Fresh	kg	19.95	+5%	0	0	0	0	0.00
Beef Tenderloin, Fresh	kg	24.94	+5%	0	0	0	0	0.00
Salmon, Fresh	kg	19.95	+5%	0	0	0	0	0.00
Game, Fresh	kg	59.85	+5%	0	0	0	0	0.00
Chicken, Frozen	kg	14.96	+5%	10	72	0	62	927.68
Beef Tenderloin, Frozen	kg	19.95	+5%	0	0	0	0	0.00
Salmon, Frozen	kg	17.96	+5%	0	120	0	120	2154.60
Game, Frozen	kg	49.88	+5%	0	0	0	0	0.00
Chicken, preprocessed	kg	20.95	+5%	0	0	0	0	0.00
Beef Tenderloin, preprocessed	kg	25.94	+5%	0	0	0	0	0.00
Salmon, preprocessed	kg	22.94	+5%	0	150	0	150	3441.38
Game, preprocessed	kg	64.84	+5%	0	0	0	0	0.00
Accompaniments	kg	2.99	+5%	35	570	0	535	1600.99
Beverages (nominal cost units)	*	1.00	+0%	1859	3600	0	1741	1741.00
Room consumable supplies	**	0.60	+0%	367	1494	0	1127	676.20
Total cost:								10900.94

🔥 SPOILS 🟡 STORES 🚫 ORDER INSUFFICIENT 🚨 HIGH SPOILAGE RISK

*) Beverages are purchased by value.
 **) Room consumables are used at an average rate of 1.2 units per hotel room per night
 note: spoiling items in excess of 10% of use on current round will be lost by end of round

[Hotel Projections](#) | [Restaurant Projections](#) | [Projected Income Statement](#)

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The procurement function consists of handling purchases. In addition to determining the purchase amounts, there are a couple of general procurement considerations you need to decide on.

You need to plan how much of each item to purchase. Items include beverages and raw materials for the restaurant and room consumables – a catch-all term used to describe the everyday material needs for hotel rooms (such as paper tissues, shampoo etc.). If your purchase plan includes less food, beverages or other items than you need to meet the current round's demand your staff will act proactively during the round to fix the situation. They will quickly make additional purchases with short delivery times. These additional

purchases are made automatically and will suffice to cover the need, but the costs for these are significantly above the normal rate because of increased logistic and other costs.

Note that some raw materials will spoil over time (please refer to the symbols at the bottom of the procurement decision sheet to determine which items spoil). Since such materials are only good for several days or less, they are effectively resupplied frequently during the round. Your contracts with the suppliers are still based on biweekly order lots, so you carry the risk of failed materials need planning just as for all other purchase items. In practice, at the end of each round you will lose any spoiling items in your inventory in excess of 10% of use.

Also note that for simplicity, your storage capacity is considered effectively unlimited.

8.2. Human Resources (HR)

The HR function is a support function taking care of training, compensation and staff policy matters. You can adjust the overall compensation level for managers and for other staff. This compensation covers all wages, bonuses and perks. Note that the changes you make DO apply to continuing permanent employees as well as all others, since even though some part of the compensation may be fixed by employment contracts or legislation, you can adjust other compensation components more freely. This flexibility is the result of a long history of providing a relatively large part of your employee compensation as perks and bonuses, with minimal long-term compensation guarantees.

8.2.1. Recruiting

The target number of permanent and temporary staff for desk, housekeeping and restaurant staff is determined by the team. The number of temporary staff can alternate freely between rounds. For permanent personnel, a reduction in the number means lay-offs, unless at least as many permanent staff members were about to leave the hotel anyway.

Employer attractiveness is composed of factors such as historical staff satisfaction, temporary staff policy and compensation policy. A higher employer attractiveness makes it easier to attract skilled workforce, who in turn are more efficient in getting the job done. The effect on P&L is indirect, but basically employer attractiveness provides a way to make do with less workforce, which brings down costs.

8.3. Planning

The planning function is a support function that aims at generating somewhat realistic numerical projections for your revenue and costs. This “function” largely consists of estimation, gut-feel and planning work done by the managers in each function as a part of their regular duties. While you make your decisions for a round, you can access the overall financial projections for the round from the Projections Bar at the bottom of the online view. You should use the projections to make sure that your pricing and other decisions have a decent chance of generating profits during the round. Note that there are several estimates both in the projections and elsewhere in the online views that you need to make to get as accurate projections as possible. These estimates include especially sales estimates. Many cost items are more or less known automatically based on these sales estimates, but also some manual cost estimation is required.

Chapter 9. Profitability

Net profit for the team is the sum of hotel and restaurant revenues minus all costs. Profitability or some financial key figure derived from it is often considered the most important success factor for the entire hotel.

9.1. Revenue from hotel operations

Hotel operations revenue for the round equals the number of room-nights sold for the current period times the appropriate room rate, plus any revenue generated from additional services to hotel guests.

Notice that revenue is only accounted for when the customer actually visits the hotel, not when the reservation is made. As a result of this, room revenue for the current round includes revenue from rooms already reserved for this round on earlier rounds. Respectively, not all the new reservations made during the current round will create revenue for this round. This accounting timing convention aims at matching revenues with the costs incurred in generating the revenue. Nonetheless, even this convention has its limitations. Various costs are not accurately allocated to match the period of the revenue – such as sales costs and costs incurred to improve long-term customer satisfaction effects.

The number of room-nights sold for a particular round is naturally limited by room availability.

9.1.1. Room availability

Available number of rooms for a particular period equals the total number of rooms in hotel minus the sum of rooms sold earlier and special quotas reserved for privileged promotions, if any (one of the promotion decisions deals with such a case).

Room availability is likely to limit sales when room rates are comparatively low or during peak seasons.

9.1.2. Room revenue

Room revenue equals number of room-nights (staying) times the appropriate room rate per room-night.

9.1.3. Additional hotel sales

Some hotel customers pay for additional services, not just the appropriate room rate. This income is shown on reports as additional sales.

9.2. Costs due to hotel operations

In the cost report of the hotel, the costs are listed by functions, which are desk costs, housekeeping costs, maintenance costs, breakfast cost and other cost. Hotel costs come from many sources. There are personnel costs, outsourcing costs, purchase costs plus some other costs.

Personnel costs consist of staff wages, indirect personnel costs, training, and management compensation. Outsourcing costs result from outsourcing in the housekeeping and maintenance functions, plus the cost of breakfasts, which is listed respectively. Note that breakfast costs are included in hotel operations when the optional breakfast module is not activated, not restaurant operations, since this cost is directly caused by hotel operations. A large part of purchase costs is food and beverage purchases for the restaurant, though some purchasing is also needed for hotel operations.

In addition, there are a large number of smaller recurring cost items in each function combined to form the line items “other variable costs” and “other fixed costs” in reports. Fixed costs do not directly depend on customer volumes, whereas variable costs do. These other fixed costs remain relatively constant from round to round, as do these other variable costs when considered on a per-customer basis.

9.3. Restaurant revenue

Restaurant revenue consists of food and beverage sales. You determine the price of each dish, and, well, the customers determine how many of each dish you get to sell. Your menu is also on show directly outside the main entrance. If a potential customer does not find your menu attractive, he or she will not even bother to enter the restaurant.

For beverages, a simplification is used to avoid pricing all of the numerous beverages separately. You only determine the price margin as a percentage of sales price instead of the actual sales price. For example, if your beverage margin is 60%, for every 10 dollars/euros/other of beverages you sell, the purchasing cost for these beverages will be 4 and your margin is 6.

9.4. Restaurant costs

There are essentially three chunks of costs in your restaurant business: staff costs (Kitchen and dining hall personnel costs are listed respectively), materials costs and other costs. The staff costs consist of staff wages, social security and all bonuses and perks, as well as restaurant manager compensation. Materials costs consist of all food and beverages costs, including both planned purchases and any unplanned additional orders that need to be made on short notice when running out of some raw materials during the round. Other costs include training, marketing, equipment etc.

9.5. Shared costs

In addition to costs allocated to hotel operations or restaurant operations, there are some shared costs between the two business areas. These include hotel manager compensation, costs for procurement management, other training costs and some other fixed operational costs.