

ELIMINATING THE NIGHT AUDIT PROCESS

A report from the Grove Park Inn Resort and Spa in Asheville, N.C.



Reprinted with permission from the Dec 2001/Jan 2002, Volume 16, Number 8 issue of The Bottomline, the journal of Hospitality Financial and Technology Professionals

As many companies face an uncertain economy and possible cutbacks, Western North Carolina's Grove Park Inn Resort and Spa has used technology to its advantage. Following in the footsteps of hotel chains forced to become more efficient, the 510-room resort took on the task of eliminating the night audit process.

"I think we're the only full-service resort to think about doing this," Finance Director Don Walton, CHAE, CHTP said. "There is pressure to do this in the big chains, but it's more difficult to do in a resort environment than, say, the Hyatt."

The historic hotel, built in 1913, added a world class spa to its facility earlier this year. It was modeled after the resort, with stone architecture and waterfalls throughout. It also came with a \$40 million price tag.

The Grove Park continued its trend of anticipating the needs of the guest in other ways as well. The resort's 18-hole golf course is being redesigned to better fit the Donald Ross model for which it was branded. Plans are under way for expansion to each of the resort's four restaurants. Additions include a new lounge and cigar bar offering a spectacular view of Sunset Mountain. In-room dining facilities will be more centrally located to cut down on delivery times for guests who prefer to enjoy the solitude of their suite. The resort's banquet and catering services, known to fulfill the needs of groups that are too large for its competitors to accommodate, are also increasing operational capacities.

Guest service options such as retail outlets, e-commerce capabilities, valet parking, guest laundry, gift certificate processing and even an opportunity for guests to purchase any of the items found

in their hotel room, are also offered to guests.

As the Grove Park continued to expand its services, department heads were asked to start considering reorganization within their departments.

"The idea is that a big operation got bigger as opposed to smaller, and yet we were challenged to reduce payroll dollars," said Bobby Brumley, controller.

Restructuring

"It was built into our operational goals to eliminate night auditors in 2001," said Walton. "The restructuring process just got us started eight or nine months earlier than we had planned. The accounting department had traditionally been in charge of night audit. Through automation, there looked like there was a lot of potential to eliminate personnel."

It seemed like a good time to present the idea of combining the duties of night auditors with those of the third shift (11 p.m. – 7 a.m.) front desk attendants. The goal was one that Walton had hoped to achieve for many years. Walton recalls that the department had four or five night auditors when he came to the Grove Park Inn, 14 years ago. By the late 1990s, the hotel had already trimmed the job down to just two employees.

"We had purchased a data management system that would revolutionize our internal data gathering and reporting," Brumley explains. "This allowed us to successfully eliminate the manual distribution of financial reports via our browser-based intranet. Here we distribute our hotel information to our computer users. We implemented group-wide Web accessing for e-mail and Web-based computing, enhancing our department managers' ability to function

effectively offsite. This allowed our information technology professionals the ability to automate and maintain our traditional third shift process outside of our computer room.

"Finding and retaining qualified staff to work the third shift hours was getting increasingly difficult. The commitment to upgrade our computer software and hardware throughout the resort placed sufficient resources behind the front desk, thereby enabling the processes that are still required to run at night to be performed at that location."

Former night auditor Doug Klaas moved to the position of internal auditor in 2000. Familiar with the night audit procedures, he was recruited along with Brumley and Terry Price, information technology director, to begin the necessary steps of eliminating the night audit positions.

Automation

"The biggest elimination was the manual inputting of information," Klaas said. "We wanted to do this to get with the times."

Traditionally, night auditors had traveled from the accounting office to the information technology office several times a night to run a variety of reports and daily maintenance procedures. This process was consolidated so that reports could be run from a central location, thus streamlining the process.

"Our automation strategy was reevaluated based upon new releases of our current software systems," said Price. "The ability to automatically schedule computer processes so that they would run without manual initialization and in the proper sequence was paramount to the success of the project."

Price spearheaded the automation of the night audit process by bringing in a product offered by **Datavision Technologies**, a vendor of business intelligence systems for the hospitality industry. Datavision's flagship product, **Decisions**, works with systems already in place — such as PMS, POS, payroll, back office and other systems used by the hotel industry. The Decisions software then integrates data from the different systems into a central data warehouse and delivers key information right to the users' desktops. The data can be delivered in various formats, such as graphical EIS-type screens with gauges, stoplights and charts or standard Excel reports.

The number of nightly reports was eventually reduced from 13 to five, with the eliminated steps now done automatically with the new computer software. Low priority reports such as food and beverage and POS detailed item sales reports, or detailed transaction reports, would no longer be printed and stored for possible future review. Instead this data is now electronically archived and readily accessible upon demand. This reduced paper usage, time spent by staff to monitor printing, storage space requirements and a shortened night audit process.

Some of the night audit responsibilities were also transferred to daytime accounting employees. Credit card batches were no longer transferred between 2 and 5 a.m. The process was moved, to take place during the middle of the day. Auditing and coding adjustment vouchers for resort charges formerly done at night began to take place the next day, without impeding the collectibility of receivables.

The resorting of guest receipts by payment methods was assigned to the cashiers tendering the transactions. Routine filing, printing and sorting of additional supporting charges is now handled through the daytime accounting staff. Basic procedures such as rotating backup tapes and initiating reindexing procedures have either been automated or rescheduled to occur during the daytime accounting shift.

"In resorts, which have so many different operating systems, coupled with the fact that there is no one-stop shopping,

each area tends to have its own unique software," Brumley said. "Nobody does what we do, and certainly not the way we do it."

This reorganization led to a new job description for the resort's internal auditor. The position, now known as the hotel auditor, acquired added responsibilities and eventually served as a liaison between the accounting department and the front desk. It means working with both departments to accomplish the goal of transferring night audit duties to the front desk."

"The front desk and I have a unique relationship," said Klaas. "I supervise the processes and the procedures of what remains of the old night audit tasks, but not the individual people themselves. As far as staffing and scheduling, the front desk manager is still in control. We communicate daily through the use of an e-mail log to a group address.

"This allows us to address issues or concerns from the previous night. I also actively participate in the training process of any new third shift front desk employees. The process runs pretty smooth most of the time. In the initial days of the transformation to the front desk the employees were a little reluctant, but now it is just part of the job and they really seem to enjoy the added responsibilities."

A step-by-step guide was made to walk third shift front desk employees through the new night audit procedure, which is now chiefly a series of button-pushing tasks and maintenance procedures. Computers were set up at the front desk, so that the work could be done from that location. There are two permanent third shift front desk employees that are responsible for the new night audit duties, although three others are also trained in the process. The resort's third shift manager on duty is also trained to do the new night audit procedure.

"I had some concerns about what the new night audit process would be like when I heard that it would be transferred up to the front desk for the overnight shift," said Larry Knight, third shift front desk attendant. "I honestly cannot imagine what the night audit process was like when it was a separate position and required eight or more hours to complete. I'm not sure how efficient it was to have to go to

another part of the building to do things that needed to be done.

"Most of the reports and functions that I do are set up so that I can program the computer to do that report or function, and then I can do another task while that one is running. I am not as computer-literate as I would like to be. This does present a challenge when I have to call someone else to fix what is wrong. I don't like having to wake someone up to fix what might turn out to be a relatively small problem. The night audit process usually goes smoothly, though. I have my 'script' which outlines what tasks need to be done in which order."

Elimination

"It had been crunched down from eight hours of work, sometimes with two people, to three hours," Walton said. "But now it really only takes a person about 30 minutes."

The night audit procedure had been trimmed down considerably with the automation of the hotel's daily operating reports. While front desk attendants were running reports, they could be working on other tasks.

"With the economy influx, everyone was looking for places to cut jobs," Price said. "Technically we eliminated those positions without losing the accountability. This was a way to eliminate jobs and still provide the level of information that operating managers require."

Although the night audit positions were eliminated, former night audit personnel were able to continue their employment with the Grove Park though attrition.

"In a few years other resorts will be interested in this," Walton said of the elimination process. "It can be done."

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