Pacific Rim Bangkok Hotel Needs a New Property Management System

By Cihan Cobanoglu and Katerina Berezina

Introduction

Pacific Rim Bangkok Hotel is a five-star luxury hotel in downtown Bangkok, Thailand. The building where the hotel is located is owned by a large Japanese Construction Company, Ohayo Group.

Introduction to Ohayo Group

Ohayo owns the Ohayo Building located at 133 Rama III Road, Bangkok 12340, Thailand. The hotel portion of the building is managed by Pacific Rim Hotels & Resorts Pte. Ltd.

The building is utilized as follows:
* *The basement floor:* For Hotel use: The White Room (The banquet room)
* *Mezzanine Floor:* For Hotel Use (in conjunction with The White Room)
* *The ground floor:* For Hotel's multiple uses: Concierge (Hotel), Limousine Service, Short Cuts (Hotel's cafeteria), Security, Hotel Purchasing/ Receiving/ Cost Control Office
* *2nd-10th Floors:* Parking Garage
* *11th-19th Floors:* Rental Offices
* *20th and above:* Hotel use
* *20th Floor:* Hotel Management offices
* *21st Floor:* Hotel Management offices, Conference/Banquet Facilities
* *22nd Floor:* Restaurants (Keyaki, Hai Tien Lo) & Kitchens
* *23rd Floor:* Front Office, PABX Room, Front Desk, Operator, Computer Room, Heights Café, Finishing Post (Bar), Lobby Lounge, Chef Office, Mainbar, Kitchen, Business Centre, Kiosk Shop
* *24rd Floor:* Health Club & Spa, Swimming Pool (outdoor), Hotel Guest Rooms & Suites
* *25th -30th Floor:* Hotel Guest Rooms & Suites
* *31st Floor:* Pacific Lounge (Executive Floor), Guest Rooms & Suites
* *32nd Floor:* Hotel Guest Rooms & Suites & Krungthep Suite (Presidential Suite)

Introduction to Pacific Rim Hotels and Resorts Pte. Ltd. (Singapore based)

Pacific Rim Hotels and Resorts is the international hotel operations of the Arigetto Group of companies, a multi-billion dollar organization established in 1939 and with its headquarters in Tokyo, Japan. Domestically, Arigetto Group operates the largest hotel chain in Japan (Arigetto Hotels and Arigetto Inns) with 59 hotels (15,000 rooms). In 1972, Arigetto Group formed an overseas hotel management company named Arigetto Hotels International, Inc. (AHI) to manage its Asia Pacific properties. It opened its first hotel, the Sari Pacific in Jakarta, Indonesia in 1976. Later, a second hotel management firm, Emerald Management Company (EMC), was formed in Honolulu, Hawaii to coordinate development in the United States.

In 1989, Arigetto Group consolidated the operations of these two overseas companies (AHI and EMC) under the trading name of Pacific Rim Hotels and Resorts. In June 1995, Pacific Rim Hotels and Resorts Pte. Ltd. was incorporated in Singapore to coincide with the relocation of the corporate headquarters from the United States to Singapore.

Mission Statement of Pacific Rim Hotels & Resorts

The mission statement of the Pacific Hotels & Resorts is: "To provide the best hospitality experience balanced to the needs of our four stakeholders—Guests, Associates, Owners, Community."

Facility Type and Layout

The Hotel is a 235-room hotel. This Hotel is located in the business district of Bangkok, Thailand.

Employee Profile

The Hotel employs 392 employees.

Property Statistics and Departmental Overview
* Average Annual Occupancy Rate of 75.69 percent with the following monthly occupancy rates:

Table 1

Monthly Occupancy Rates

Month	Occupancy	Month	Occupancy
January	77.75%	July	74.74%
February	85.20%	August	75.0%
March	82.51%	September	79.86%
April	71.31%	October	80.0%
May	84.79%	November	88.72%
June	84.70%	December	72.48%

* Average length of stay is 2.73 days

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Table 2
Revenue Contribution by Different Guest Segments

Market Profile	
Type of Stay	% of Revenue
Group	15.5
Business	65.6
Leisure	18.9

- The average daily rate is $113.17. The monthly ADR is as follows:

- Reservations come from (2004):
  - Global Distribution System (i.e. Sabre, Amadeus): 4.35% (One way)
  - Online Distribution Partners (i.e. Hotels.com, Expedia.com): 2.23% (One way)
  - Travel Agency: 26.46 %
  - Direct Reservation: 57.47%
  - Walk-in: 2.90%
  - Other: 6.59% (SRS Voice, Pacific Rim)
- Average daily reservation call volume is 250. With the following activity ranges:

  Daily Call Range = 250 to 300 calls per day

  Number of new reservations per day: 200

  Average number of confirmations printed per day: 200
- There are 6 food and beverage operations: Names of the restaurants are (see Table 4):
- Hourly workloads in the following rooms division areas are:
  - Switchboard: Peak calls per hour range from 200 to 250
  - Front Desk: Peak check-ins per hour range from 30 to 50
- There are 10 rooms used for banquets, meetings and special events.

Hardware Configuration/Layout and Information System Overview
- There is a fiber optic feed from ground floor to the 23rd floor.
- The Hotel is currently using the Micros 8700 POS system

Table 3
Monthly Average Daily Rates

Month	ADR	Month	ADR
January	$112.43	July	$115.52
February	$120.07	August	$112.25
March	$115.15	September	$115.50
April	$112.26	October	$115.98
May	$118.83	November	$117.50
June	$114.66	December	$117.00

Table 4
Average Covers per Meal in the Hotel Restaurants

Average Covers Per Meal			
	Breakfast	Lunch	Dinner
Keyaki		53.11	54.42
Hai Tien Lo		67.75	44.37
Heights Café	99.08	50.15	32.04
Short Cuts	ALL- DAY 54		
Banquet (Private Rooms)	ALL-DAY 62		
Finishing Post	ALL-DAY 14.79		

- Hotel operations has the following number of terminals:

- The current platform is an Unix with the following specifications:
  1. Backup capabilities: DAT TAPE
  2. Storage capacity: 2/4 GB
  3. Memory capacity: 512 MB
  4. CPU Location: 23rd Floor
  5. Currently system supports 20 terminals with the capacity to support 48 terminals.
- Core Applications

Table 5
Hotel's Number of Computer Terminals
Note: DT - Dumb Terminal

Area	Number	Location
Pacific Floor	2DT	31st Floor
Chef Office	1PC	23rd Floor
Front Desk	4DT	23rd Floor
Business Centre	3PC	23rd Floor
MIS Office	1PC	23rd Floor
Communication Office-	2DT + 1PC	23rd Floor
Front Office	3PC	23rd Floor
Reservation	3DT + 2PC	21st Floor
Sales/Catering	9PC+ 1Laptop	21st Floor
Marketing	4PC	21st Floor
Revenue Manager	1PC	21st Floor
F&B Office	2PC	21st Floor
Admin. & General	3PC	21st Floor
Accounting	3DT+9PC	21st Floor
General Store	1DT	20th Floor
Housekeeping	1DT + 2PC	20th Floor
Human Resources	5PC	20th Floor
Maintenance	3PC	20th Floor
Receiving/Purchasing	2DT+1PC	Ground Floor
Cost Control	1DT+1PC	Ground Floor
Security Office	1PC	Ground Floor
Concierge	1DT	Ground Floor

1. CLS PMS: Reservations, Front Office, Night Audit, Management, Guest Relations, Hotel Operator, Housekeeping, Sales & Marketing, Accounts Receivable, Concierge, and Cash/Revenue Control
2. Back-office Software: CLS General Ledger, Accounts Payable
3. Fixed Assets: N/A
4. Locking System: Ving Card 3000 System
5. Interfaces: POS – micros 8700, CAS – fcs winsuite, PBX – nec neax2400, Pay Movie – Movie Link
6. Maintenance: N/A
7. Retail: N/A
8. Purchasing and Inventory Management: Adaco System (Unix version 8.0)
9. Micros 8700 POS

Table 6

Hotel Interfaces

Pay per View System	Guest room electronic key card (manual)
Voice mail	Maid-dial in
Call Accounting System	Wake-up system (manual)
Global Reservation Systems (i.e. Sabre, Amadeus, etc.) (manual)	PBX
Internet Reservation Systems (hotels.com, Expedia.com) (manual)	Human resources (manual)
Inventory	POS
Energy Management Systems including motion and heat detectors	High Speed Internet Access (manual)

Current Interfaces

The interfaces currently used in the Hotel are presented in Table 6.

Problem Statement

Pacific Rim has been using CLS Property Management System since opening. The software works OK for the hotel. However, when the software was bought, it was on a 486 server which at that time was the top of the line. Until recently the server was functioning well. However, about a year ago, the 40-MB hard drive crashed. Luckily, the system was backed up every night and could be restored as soon as a replacement hard drive is purchased. The system manager of Pacific Rim looked for a 40MB hard drive for replacement however; she could not find a 40-MB hard drive. So, she purchased 10GB, the smallest in capacity she could find. Even though, they managed to install the 10GB hard drive to the 486 server, and restored the system successfully, it did not last long. Since the hardware was old and the hard drive

was new, the marriage was not very successful. Six months later, the hard drive crashed again. Another replacement was done. However, this was causing Pacific Rim Hotel a lot of time, resources, and money. While the restoration was being done, the operations could not be recorded into the system for 3 days and after the restoration is done, staff was working day and night to catch up.

Pacific Rim General Manager, John Asbett, told Ohayo Group President, Mr. Kuni Tokuno that they needed a new system. Since the building is owned by Ohayo Group and Pacific Rim is managing the hotel, the investment must be made by the Ohayo Group. Pacific Rim wants to buy Fidelio Opera PMS because the corporate is using the following systems:

Corporate Interfaces

The central corporate office is located in Singapore. The Hotel has a broadband Internet connection.

Interfaces

*   Opera Reservation System
*   Opera Customer Information System
*   Opera Web Suite
*   Opera Sales Force Automation

For this reason, Mr. Asbett wants Mr. Tokuno to buy Fidelio Opera system. Mr. Tokuno does not want to buy Fidelio just because the management wants it. He anecdotally knows that the other systems in the market such as Visual One or HIS can cost $100,000 less than what Fidelio wants to charge.

Mr. Tokuno hired you as a consultant to help him make a decision on the PMS Systems.

Discussion Questions

1. Describe the main functions of the PMS and its importance for the hotel distribution.
2. Do you think a new PMS system should be purchased? Why? Why not?
3. Who would you involve in the PMS selection process? (Think in terms of different hotel operating departments).
4. Do you recommend to buy Fidelio or another system available in the market (e.g.Visual One or HIS)? What steps do you have to take to make the correct decision? In which order? Explain.
5. What is technology interface? Do you need to be concerned about technology interfaces to solve this case? Why? Or why not?
6. Looking at the current systems that this hotel has, what would you suggest that the hotel may do in addition to a new PMS? Do you suggest any changes to current technology interfaces? If yes, what are they?