

Comparison of Current Housekeeping Operations vs. ProHost Operational Plan

Using the housekeeping department’s previous years labor wages, labor hours and expenses we develop a “what if” scenario that shows what financial benefits the hotel could have gained had they installed the ProHost System.

Development of Return on Investment

1. Housekeeping goals: productivity, cleanliness, employee moral, quality appearance, inventory control, financial goals, etc.
2. Develop a thorough understanding of the present housekeeping operations and the impact of future operational goals/changes.
3. Develop a housekeeping staff guide that separates jobs into specific job categories by wages and work hours. The next step is to determine a labor cost per occupied room night.
4. Analyze the housekeeper productivity rate (rooms completed per shift vs. Rooms assigned per shift). Determine the reasons for the difference between actual and assigned. Will the ProHost System have an additional impact on the actual completion rate?
5. Working closely with the Director of Housekeeping the Hostar Team develops an operational plan and equipment specification.
6. Once the operational plan is developed the team then determines the labor savings by taking into account the following operational activities:

Additional Labor Hours

- restocking team
- amenity & room supply packing

Reduction in Labor Hours

- increase in housekeeper productivity
- increase in turndown productivity
- reduction in house attendant hours
- reduction in linen runner hours
- reduction in soiled linen sorting

7. Apply the benefit percentage to the net labor savings. The result is a total labor and benefit savings per occupied room night.
8. Determine Housekeeping expense savings in the following categories
  - Linen Expense
  - Guest Supplies
  - Room Division Laundry Allocation

The costs are analyzed on a cost per occupied room night basis. The next step is to apply our baseline savings percentages to the above expense categories. The savings percentages are increased/decreased depending on the housekeeping department's current operations.

Linen Savings (Standard Savings: 12.5%)

- Actual baseline studies: 15 – 20%
- Extended life of linen and terry
- FIFO inventory allows linen to absorb moisture (due to washing chemicals)
- Fewer handling events
- Less unaccountable loss (locked in an enclosed Mobile)
- Not left open in a linen closet
- Easier method to take inventory

Guest Supply Savings (Standard Savings 7.5%)

- Actual baseline studies: 10 – 15%
- Centralization of amenities at a specifically design “pick station”
- Less unaccountable loss (locked in an n enclosed Mobile)
- Less loss due to damage (enclosed in a specific tote in an enclosed Mobile)
- Easier method to take inventory

Rooms Laundry Allocation (Standard Savings 2.5%)

- Actual baseline studies: 3 – 5%
- Sets a specific laundry production each day
- Production established by specific items not by poundage
- Fewer surges in the system/more controlled flow of soiled linen and terry
- More efficient laundry production

Additional Areas of Savings

- Linen and terry par reductions
- Reduced competition for elevators
- Workman's compensation
- Smoother interface with laundry operations
- Construction of new hotels:
- Reduction in back-of-the-house space
- Reduced/elimination of linen closet shelving

9. Determine total savings (labor, benefits & expenses) per occupied room night.
10. Develop the ROI. Determine the projected occupied room nights over the next five year period and apply the savings per occupied room night to the projected occupancy and determine the payback period (months), Internal Rate of Return (IRR), Net Present Value (NPV), total savings over the five year period, and the annual savings.