

Finance for Non-Accountants in the Hotel Environment **2 days**

Staff who work in front office, food and beverage, back of house and housekeeping should be included in the understanding of all components of a set of financial statements produced by the hotel.

One of the biggest challenges in the hotel environment is the control and management of departmental costs. Understanding how costs spiral out of control and how guest revenue can be maximised is a basic requirement of every hotel employee who has an impact on these components.

The financial health of a hotel is easy to interpret if the employee understands and confidently applies the correct financial tools. Use ratios and other cost interpretation techniques to maximise your contribution in hotel management decisions. Management will then be able to rely on the information you give them for decision-making. Feel safe in the knowledge that you understand what the accountants are talking about.

Confidently apply the techniques of cost-volume-profit analysis to identify profitable lines and eliminate non-value-adding work.

Course

DAY 1

- Introducing accounting and finance
- Introduction to hotel finance
- Hotel financial terms and definitions
- Defining fixed and variable costs in the hotel
- Cost-Volume-Profit graph and formulae
- Targeting occupancies to reach targeted profits
- Introducing the Balance Sheet
 - Property, Plant & Equipment and depreciation
 - Investments and intangibles
 - Current Assets - all components
 - Long term liabilities and commitments
 - Current liabilities – all components
 - Shareholder's/owner's equity and capital
- Balance Sheet scenarios and interpretation
- Introducing the income statement
- Revenue maximisation and departmental profits
- Gross profit and percentages

DAY 2

- Overheads, staff expenses (including payroll burden) and capital charges
- Net Profit before tax and Taxation

- Dividends and Retained Income
- Ratios and interpreting the balance sheet and income statement together
- Cost-saving techniques:
 - Front office/ Food and beverage/ Housekeeping/ Other departments
- Departmental budgets
 - setting and achieving them/- variance analysis by cost centre
- Cost-volume-profit analysis in the hotel
- Cash flow forecasting - personal and hotel cash management
- Importance of cash flow in the hotel environment
- Reporting formats for the hotel