



International College of Management Sydney

In association with

**Macquarie University
Division of Economic and Financial Studies
Graduate Accounting and Commerce Centre**

Hotel Management Simulation
ICMS 834

Unit Outline
Semester 2 - 2008

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit.

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Table of Contents

1) Introduction.....	2
2) Unit Objectives	2
3) Unit Approach.....	3
4) Unit Time and Location	4
5) Assessments -Grading.....	4
6) Assessments - Tasks	5
7) ICMS834 Class Outline	8
8) Textbook and related materials.....	9
9) Cheating and Plagiarism	10
10) University Policy on Grading	10
11) Student Support Services	10
12) Dress Code for students at the International Campus in Manly	11

1) Introduction

Using Simulation to Learn about Hotel Management

Today's hospitality industry relies increasingly on the ability of its managers to develop their businesses in an ever changing competitive environment. Time constraints, budgets, technical, aesthetical and human resources must all be considered in order to achieve desired profitability.

This unit provides a flexible, student-centred and academically rigorous program, which seeks to develop students' competencies and encourage their intellectual skills in examining the theory and operations of the hospitality industry.

The computer simulation bridges the gap between individual subject knowledge and management practice by providing a variety of scenarios that challenge both the students' analytical and strategic competence. Groups of students will be able to evaluate broad ranges of accumulated learning by running a business within an accelerated competitive environment.

It is hoped students can take the opportunity of using the simulation to learn about different aspects of the running a hotel, which has applications for running any business in general.

2) Unit Objectives

At the end of this unit the student should be able to:

1. Apply strategic management and economic theories to sustain entrepreneurial initiative;
2. Develop tactical approaches to increase competitiveness;
3. Contrast the effectiveness of abstract learning tools for the development of sound business decisions;
4. Interpret financial and socio-economic data to form future managerial avenues and
5. Communicate effectively the management objectives and strategies of the simulated business.

3) Unit Approach

The unit will consist predominantly of students interacting within their groups and the simulated environment. Group and class discussions will allow for an exchange of approaches that have been developed. These strategies will allow students to acquire the skills necessary to manage global business strategies and make key business decisions for the benefit of all stakeholders in their organisations.

Typically, the class-time structure will be as follows¹:

Hour	Type	Activity
0-1 hrs	Lecture	<ul style="list-style-type: none"> ▪ Discussion of the current lecture's topics ▪ Class discussion about assigned readings
1-3 hrs	Tutorials	<ul style="list-style-type: none"> ▪ Students to run computer simulations in class ▪ Opportunities for questions ▪ In-class assessments

- During lectures, business management theory and concepts will be discussed based on the readings assigned for that week. Students must have read the readings BEFORE each lecture as they will form the basis of class discussions.
- During tutorials, student groups will be given time to run the simulation program in class. This provides an opportunity for students to apply their learning from the lecture and ask any questions they may have. In-class assessments will also take place during assigned weeks.
- The lecture notes and assigned readings will be posted on <https://learn.mq.edu.au> on a weekly basis. For your own convenience it is recommended to print hardcopies of the respective notes before coming to class. The recording (video or tape) of lectures or tutorials is not permitted. If you miss a class/tutorial, ask a colleague for her/his notes.

¹ Please note that lecture and tutorial times will not always be run strictly to this pattern. It will depend on the time and tasks allocated each week.

4) Unit Time and Location

Wednesday Evening Class: 5.00pm to 8.00pm at ICMS

5) Assessments -Grading

The assessment components of this unit are as follows:

Task	Submission Date	Weighting	Assessment Type
1	Week 5	20%	Business Plan and Presentation
2	Week 8	15%	Yr 2 report
3	Week 11	15%	Yr 3 report
4	Week 13	40%	Final Exam (must pass the exam in order to pass this unit)
5	Ongoing	10%	Class Participation
Submission Details		All work is to be submitted at the beginning of class.	

- All students are required to complete any assigned reading; prepare for and attend all classes; participate in class discussions; complete assignments and complete the final examination.
- 80% attendance at classes is a prerequisite to passing this course. Attendance will be taken each class to ensure this.
- Case assignments submitted after the due dates have to be accompanied by a doctor's certificate. Five marks will then be deducted for each day late. If you are unable to provide a doctor's certificate, you will be awarded zero marks.
- **Critical Pass:** Besides having to pass this unit *overall* (i.e. achieving a final mark of minimum 50 out of 100 points), students must also pass the final exam in order to pass this unit. Hence students must achieve a minimum of 20 out of 40 maximal points for the final exam (regardless of the mark achieved for the other assessments). Students failing to meet this requirement will be awarded an F grade and will be required to repeat the unit. Furthermore, they will be given a final mark commensurate with their final exam in percentage of the critical pass mark of 50. In other words, their final mark will be the mark achieved in the final exam only in percentage of the critical pass, and will then not include the other assessment marks.
- For example, a student who achieved **45** out of 60 for the other assessments and **15** out of 40 for the final exam should score an overall of 60 marks (45+15 = 60). However,

he/she would not have achieved the critical pass mark of 20 out of 40 in terms of the final exam. This student would hence fail the unit based on the critical pass mark and would be assigned an F grade and 37.5% ($15/40 \times 100$) as his/her final mark. So please avoid this situation *yourself* by studying *hard* - study on a *regular basis throughout the semester* in order to be well prepared for the final examination.

- *No correspondence* will be entered into directly with any student regarding *academic performance*, i.e. marks/grades of assignments, quizzes or final exams. *Please also note that emails will not be replied to after the final exam.* Students wishing to appeal their grade must do so through the authorised University channel. The only time marks can be changed is due to an error in adding up. As this is done automatically through a spread-sheet, it is highly unlikely that this situation will ever arise.

6) Assessments - Tasks

Students are expected to take full responsibility for managing their own learning. Many of the situations covered by this unit involve both quantitative and qualitative analysis, and few if any are precise answers. Every option of your simulated experience will have advantages and disadvantages with implications and strategic ramifications for action and inaction. Understanding the underlying principles, their theoretical basis and, more importantly, how they may be applied in practice should be the key objective for students in this unit. You are required to use the **American Psychological Association (APA)** referencing system to acknowledge your sources of information (both in-text and as a reference list at the end).

Assessment Task 1 – Business Plan and Presentation (20%):

Students are required to develop a business plan which must include:

- a detailed market analysis including a SWOT
- a summary of key activities and results from year 1
- the key competitive strategies to achieve targeted outcomes
- a 2 year budget/forecast featuring a number of key indicators

The report should be based on the “business experience” from the first year of simulation. The first 12 months of actual data in conjunction with the historical data should also be used as the basis to formulate any forecasts.

Students are also required to present the key components of the report in a 20 minute business pitch. The pitch itself will not only determine their oral presentation grade but investment money will also be awarded to the hotel's account based on the grades achieved in the oral presentations.

Weighting of total assessment: 20%

Marking Criteria:

1) Business Plan Report (16/20)	
Market Analysis and SWOT	25%
Strategies	25%
Summary of Year 1	20%
Financials	20%
Report format/structure/referencing	10%
2) Presentation (WK 5) (4/20)	20%

Marks will be awarded for accuracy in reporting historical facts about your property, a good credible description of your managerial abilities, and a challenging portrayal of how you are going to develop and capitalise on your strategies. The description of the market place and your competitors is to be all encompassing, both in a micro and a macro sense. A well-analysed SWOT, only relating relevant data of most important attributes, with enough depth to clarify how the hotel can capitalise on the strengths and opportunities or alternatively to minimise the weaknesses and threats. The strategies are to be built on a solid framework. Forecasts should reflect feasible/desired levels of business.

Specification: size 12 font; 1.5 line spacing; point form allowed where appropriate; maximum 10 pages inclusive of tables and any appendices if applicable; 20 minute powerpoint presentation involving discussion by every group member followed by 5 minutes question time.

Assessment Task 2 (15%) and 3 (15%) – Yearly Reports:

At the end of year 2 and 3 of the simulation, students will be required to submit a report outlining their achievements. You will need to provide a variation report based on your initial forecast/budget. You will then need to re-evaluate your business and develop a revised forecast for the following year. Completing the report will be a short competitor analysis highlighting your threats as well as your immediate strategies for advancement.

Weighting of total assessment: 30%

Year 2 report: 15%, Year 3 report: 15%.

Marking Criteria for each report:

Variation to forecast	20%
Revision of forecast	20%
Competitive and Strategic Analysis	40%
Performance in simulation	10%
Report Presentation (grammar, etc)	10%

Weighting will be given for accuracy of historical data and actual figures. Variances larger than 6% will require an explanation and evidence to back up any rationale. Forecasting is feasible and involves some degree of risk taking; major spending on refurbishment or capital expenditure is accompanied by a brief rationale. A small % of your mark will reflect the overall performance of your property in the simulation and the presentation of your report.

Specification: size 12 font; 1.5 line spacing; point form allowed where appropriate; maximum 8 pages inclusive of tables and any appendices if applicable.

Assessment Task 4: Final Exam (40% - 2 hours)

In week 13, you will be required to answer two essay questions out of three choices under exam conditions. Your essay will centre on the overall topic and you will be required to demonstrate your knowledge and understanding of relevant issues, concepts, theories and findings in a personal and subjective manner.

You will have two hours to finish the exam, plus 10 minutes reading time at the beginning of the exam. The final exam *must* be taken when scheduled. The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at: <http://www.reg.mq.edu.au/Forms/APSCons.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. Students should also note that supplementary exams are subject to a more rigorous marking procedure owing to the benefit of extra study time for the student.

Assessment Task 5: Class Participation (10%)

During tutorials, student groups will be given time to run the simulation program in class. This provides an opportunity for students to apply their learning from the lecture and ask any questions they may have. In-class assessments will also take place during assigned weeks.

7) ICMS834 Class Outline

Semester 2, 2008 – Wednesday Class

Week	Date	Topic	Activity	Assigned Weekly Reading
1	6 Aug	Unit introduction & overview of hotel industry	- Forming of teams - HOTS Simulation overview	-Chapter 1 -Siguaw, J. A. and Enz C. A. (1999). Best practices in hotel operations. Cornell Hotel and Restaurant Administration Quarterly Dec, 42-53.
2	13 Aug	The role of hotel general manager	- Year 1: cycling 1 st quarter	-Chapter 2 -HOTS Background Document
3	20 Aug	Accounting	- Year 1: cycling 2 nd quarter	-Chapter 5 -Brown, J. and Dev, C. (1999, April). Looking Beyond RevPAR. Cornell Hotel and Restaurant Administration Quarterly April 23-33.
4	27 Aug	Revenue management	- Year 1: cycling 3 rd /4 th quarter	-Chapter 6 -Collins, M. and Parsa, H.G. (2006). Pricing Strategies to Maximise Revenues in the Lodging Industry. Hospitality Management 25, 91-107
5	3 Sept	Understanding financial statement	- Assessment 1 (Business report and presentation)	None
6	10 Sep	Management, supervision, and service skills for hotel general manager	- Year 2: cycling 1 st /2 nd quarters	-Chapter 3
7	17 Sep	Food and beverage	- Year 2: cycling 3 rd /4 th quarters	-Chapter 10 -Siguaw, J. A. and Enz C. A. (1999). Best practices in food and beverage management. Cornell Hotel and Restaurant Administration Quarterly Oct, 42-53.
Start	22 Sep	Mid Semester Break	End	5 Oct
8	8 Oct	Human resources	- Assessment 2.1 (Year 2 report)	-Chapter 4 -Davies, D., Taylor, R. and Savery, L. (2001). The Role of Appraisal, Remuneration, and Training in Improving Staff Relation in the Western Australian Accommodation Industry: a Comparative Study. Journal of European Industrial Training, 25(7), 366-373. -Rowley, G. and Purcell, K. (2001). 'As Cooks Go, She Went': Is Labour Churn Inevitable? Hospitality Management, 20, 163-185.
9	15 Oct	Sales and marketing	- Year 3: cycling 1 st /2 nd quarters	-Chapter 7 -Gilbert, D.C. and Kapur, R. (1990). Strategic Marketing Planning and the Hotel Industry. Hospitality Management, 9(1), 27-43.
10	22 Oct	Franchise agreements and management contracts	- Year 3: cycling 3 rd /4 th quarters	-Chapter 13 -Lamminmaki, D. (2005). Why do Hotels Outsource? An Investigation Using Asset Specificity. International Journal of Contemporary Hospitality Management, 17(6), 516-528.
11	29 Oct	Purchasing a hotel	- Assessment 2.2 (Year 3 report)	-Chapter 14 -Phillips, P. (1999). Performance Measurement Systems and Hotels: A New Conceptual Framework. Hospitality Management, 18, 171-182.
12	5 Nov	Managing in the global hotel industry	Revision	-Chapter 15 -Edelheim J. and Ueda, D. (2007). Effective Use of Simulations in Hospitality Management Education – A Case Study. Journal of Hospitality, Leisure, Sport & Tourism Education, 6(1), 18-28.
13	12 Nov	Final exam (5-7:10pm)	Essay	None

8) Textbook and related materials

Recommended Text:

Hayes, D. K. and Ninemeier, J. D. (2006). *Hotel Operations Management* (2nd edn.). New York: Prentice Hall.

Required readings:

The following journal articles will form the basis of lectures and discussion as per the class outline (see later).

The articles will be available <https://learn.mq.edu.au> . Please ask the librarian for assistance if required.

Akehurst, G. P., Hallsworth, I., Patrick, C. and Snee, H. (1986). Identification of the Reactions of Hotel Managers to New Competition. International Journal of Hospitality Management, 5, (4), 189-196.

Brown, J. and Dev, C. (1999, April). Looking Beyond RevPAR. Cornell Hotel and Restaurant Administration Quarterly, 23-33.

Collins, M. and Parsa, H.G. (2006). Pricing Strategies to Maximise Revenues in the Lodging Industry. International Journal of Hospitality Management, 25, 91-107.

Davies, D., Taylor, R. and Savery, L. (2001). The Role of Appraisal, Remuneration, and Training in Improving Staff Relation in the Western Australian Accommodation Industry: a Comparative Study. Journal of European Industrial Training, 25, (7), 366-373.

Edelheim, J. and Ueda, D. (2007). Effective Use of Simulations in Hospitality Management Education – A Case Study. Journal of Hospitality, Leisure, Sport & Tourism Education, 6, 18-28.

DeMicco, F. J., Lin, Y., Liu, L. Rejtő, L., Beldona, S. and Bancroft, D. (2006), The Effect of Holidays on Hotel Daily Revenue. Journal of Hospitality & Tourism Research, 30, 117-133.

Gilbert, D.C. and Kapur, R. (1990). Strategic Marketing Planning and the Hotel Industry. International Journal of Hospitality Management, 9, (1), 27-43.

Hassanien, A. and Baum, T. (2002). Hotel Repositioning Through Property Renovation. Tourism and Hospitality Research, 4, (2), 144-157.

Lamminmaki, D. (2005). Why do Hotels Outsource? An Investigation Using Asset Specificity. International Journal of Contemporary Hospitality Management, 17, (6), 516-528.

Phillips, P. (1999). Performance Measurement Systems and Hotels: A New Conceptual Framework. International Journal of Hospitality Management, 18, 171-182.

Rowley, G. and Purcell, K. (2001). 'As Cooks Go, She Went': Is Labour Churn Inevitable? International Journal of Hospitality Management, 20, 163-185.

Additional recommended readings:

Weygandt, J. J., Kieso, D. E., Kimmel, P. D. And DeFranco, A. L. (2009). *Hospitality Financial Accounting* (2nd edn.). Hoboken: John Wiley & Sons, Inc.

Jagels, M. G. and Coltman, M. M. (2004). *Hospitality Management Accounting* (8th edn.). Hoboken: John Wiley & Sons, Inc.

Hospitality Financial and Technology Pro, (2006). *Uniform System of Accounts for the Lodging Industry* (10th edn.). East Lansing: American Hotel & Lodging Educational Institute.

9) Cheating and Plagiarism

The University defines plagiarism in its rules: “Plagiarism involves using the work of another person and presenting it as one’s own”. Plagiarism is a serious breach of the University’s rules and carries significant penalties. You must read the University’s practices and procedures on plagiarism. These can be found here: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in unit, and/or referral to the University Discipline Committee.

10) University Policy on Grading

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e. the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performance of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit. The process of scaling does not change the order of marks among students.

11) Student Support Services

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au/>.

12) Dress Code for students at the International Campus in Manly

The International College of Management Sydney is a leading educator in hotel management, tourism and associated service industries. To encourage a spirit of excellence in personal appearance as part of our education program, preparing graduates for careers in service industries, the College expects all staff and students to conform to a professional level of dress while on College premises.

The College has a mandatory dress code for all its undergraduate students which Masters students are asked to respect. Below is the dress code that currently applies:

Female acceptable	Male acceptable
<ul style="list-style-type: none"> - Coordinated business suit - Skirts knee length and below - Make up simple and natural - Panty hose are not compulsory but recommended - Boots only with business pants - Business like shoes - Business skirt or pants with shirt or high neck long sleeve top - Jumpers and vests over shirt/top 	<ul style="list-style-type: none"> - Business suit - Business pants with shirt or high neck long sleeve top - Polo neck tops - Conventional haircut above the collar - Long hair in one ponytail - Trimmed and clean beards or moustaches - Business like shoes preferred however ankle boots permitted - Jumpers and vests over shirt/top
Female not acceptable	Male not acceptable
<ul style="list-style-type: none"> - Any denim - Open toe, platform or sports shoes - Wearing visible earrings or studs apart from on ear lobes - Visible tattoos - T-shirts - Revealing necklines - Extreme hair colours or styles - Stirrup pants - Midriff tops 	<ul style="list-style-type: none"> - Any denim - Open toe, platform or sports shoes - Wearing visible earrings, studs, necklaces or bracelets - Visible tattoos - T-shirts - Extreme hair colours or styles - Rings on thumb or index finger

All students taking MIB and MCom units at the International Campus are expected to abide by the dress code while attending classes or elsewhere on the Campus, including the computer laboratories or the Courtyard Café. Please note that the Pollard Resource Centre is free of dress rules.

Students who do not respect the dress code may be asked to leave the campus.

The College reserves the right to determine whether specific items of dress are within the code or not.

Thank you for being part of our great College community. Not just an education! An experience!