Hotel Budget Management and Asset Allocation

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Part 1: Financial Report

1. Executive Summary

This paper aims to explain the phenomenon the managing finances within a budget or the operation of the monitoring of work. According to the background information, the Australian Multicultural Foundation, Sydney (AMFS) has intended to launch Harmony Week from the 10-14 of June 2016. The International Hotel Group conducts it. As the programme manager, it will be the core responsibility to handle the event within the budget requirements as provided by the Australian Multicultural Foundation, Sydney. The core responsibility is also to provide the budget, variance, financial and budget reports in a descriptive manner. There are three parts, with each task studying a new perspective of the financial and budget management of the International Hotel Group.

2. Event Description

The AMFS is celebrating Harmony Week. It is a 4-day event at the International Hotel Group with almost twenty international leaders invited from culturally diverse backgrounds. The hotel is responsible for its hospitality, entertainment and other associated care management services, including music, food, dance, concerts, carnival, etc.

3. Operational Plan

Strategic asset allocation is usually implied on the return and cost of the event, a buy-and-hold strategy is commonly used in such cases. It often occurs for a shift in values that causes a rift in the initially established mechanism of the policy mix. According to personal study and research, the rebalancing of the portfolio is the only way. For example, in this case, when one asset declines its value, the other asset would purchase the value, and eventually the asset value is increased.

Another way of asset allocation is tactical asset allocation. This is one method that works best for the company's favour for long-term; strategic asset allocation may look relatively rigid for that matter. However, the issue of constraint budget can be tackled and managed well by the tactical asset allocation strategy. The tactical decisions regarding the budget usually occur from the mix of capitalizing the cost as well as using exceptional opportunities for investment. This is one way to manage the International Hotel Groups well.

The market rates, as discussed regarding different categories, vary from $100-$5000; hence this is found out from the purpose of research, call and discuss with the marketers relevant in the context of event management and organisation. Thus, the allocated budget for the International Hotel Group is $67000; therefore, the different categories must be less than these budgets to fit in with the budget of $67000.

4. Hierarchy/Organization Chart

5. Financial Statement

A Standard Operating Procedure is the financial application to do the interpretation as well as the standardisation to analyse the budget. The budget adjustment usually occurs for recording income and expensive budget transactions. Thus, the effective method of Standard Operating Procedure is also allowed to modify the base budget to the current budget as well. The base budgets are usually established during the budget construction process and eventually undergo the ongoing financial commitment as done earlier. The budget for food/tea/meals, and even the light and sound processing of the event, has fluidity, and therefore, in this way, the base budget of $25,000 could adhere. In this case, a contingency plan is also managed that includes a further $5000; in this case, the scene of international music will be excluded from all the event amenities. (McWilliams, 1997)

6. Proposed Idea

The outline of the expenses is done by weekly budget under the fixed budget of $67000:

The food will cost a total of $7000, and this will also include the weekly meetings set by the organisers of the food business, as well as the different vendors. The goal is also to achieve a set of sponsorships that could help in lessening the cost of the budget.

Once the meetings are set, around 7-8 food vendors will be gathered that could help in providing free food facilities, which are further allowed to market their business through stalls, and standees. The costs of booths for the event will include $1500, and therefore, these food vendors will only use the stall and buy it to provide food to the customers. The arriving customers will pay directly to the food vendors.

Furthermore, the payroll expenses will be calculated at the end of the event. The hiring of 2 interns and volunteers will be done weekly. In this case, the issue is to resolve the payroll expenses in the fixed budget. The hourly rate of a volunteer will be $15, and the daily rate of the interns will be $35. and in accordance with that, the volunteers will be calculated by the $15 only over the course of a day’s event. However, the interns are hired on the agreement of six weeks and will manage the advertising marketing and other promotional tactics to lead the event.

Besides, the round tables with chairs that are 15 in number will also be booked six weeks before the event to avoid any irregularity. The light will only be used on the musical night, as well as the carnival and it is found out that the lighting arrangement will adhere in the case of lawns/trees/tables and stages for following the contingency plan. The goal is to provide overall a quality event that is liked by a large number of customers attending the event but also focuses on a fixed budget. The contingency plan, as earlier, included a further $5000, and in this case, the scene of international music will be excluded from all the amenities of the event. So, one of the amenities, such as the global music or the lighting on the last day, will be avoided. The theme of the musical night will be changed to disco rather than modern, leading to less lighting use. However, this is a plan that will be avoided at every cost to avoid sacrificing the quality.

Moreover, on the other hand, the weekly plan will also include the arrangement of the accommodation. As the event is done on behalf of the Australian Multicultural Foundation and conducted at the International Hotel Group, considerable attention and budget will be assigned to the accommodations to promote the hotel business. Regarding accommodation, as stated in the appendix, no more than rooms with a single bed will be provided for $200 a night. This will help generate maximum profit to lead a huge, grand event.

The event's equipment and sound system will be given maximum attention, and due to the large expenses, their importance will not be. Some of the equipment used in the event are the projectors, sound system, and microphones, and they will be bought and rent in plenty of amounts to achieve the event management goals.

Another weekly budget will be set for the floral decoration and arrangement as it is one of the important amenities not to neglect. The floral decoration will include the entry, stage, table centres, and buffet area. Also, 28 small bouquets in orange, right and white flowers will be booked three weeks earlier than the event.

Eventually, another weekly budget will be set according to the transport (50 passengers) to take the guests and the hosts for sightseeing(Campbell, 1997).

This is the entire outline that is assigned to the core responsibilities of the expenses related to this event.

7. Conclusion

The event organisation is successfully briefed in this paper regarding managing finance research of the event. Manage Finances within a Budget / Monitor Work Operation is done by a five-day event that will be held at the International Hotel Group. As stated earlier, the tactical decisions regarding the budget usually occur from the mix of capitalising the cost and using exceptional opportunities for investment. This is one way to manage the International Hotel Groups well. So, the asset allocation method will be tactical asset allocation. Moreover, the market rates, as discussed regarding different categories, vary from $100-$5000 hence, this is found out from the purpose of research, call and discussing with the marketers relevant in the context of event management and organisation. Thus, the allocated budget for the International Hotel Group is $67000; therefore, the different categories must be less than these budgets to fit in with the budget of $67000. Hence, the outline of the budget is done according to the fixed amount.

Part 2: Standard Operating Procedure

A standard movement is reported to shape an arrangement of composed directions, such as manual, which gives people or the workers to perform the activity appropriately, which encourages honesty and quality. At last item or administration is called the SOP. In this way, SOP helps in actualising and playing out the specific capacities or exercises of the procedure viable and effective. Various terms like guidelines, research facility working methodology, worksheets and conventions are also known as SOP. SOPs are particular to the associations and guarantee consistency with legislative

directions. SOPs are of restricted esteem if not composed accurately or come up short if they are not taken after. Consequently, SOPs ought to be promptly opened either in printed version or delicate duplicate for reference to those who are going to play out the particular employment or movement in the association. SOPs help in preparing the people of a specific capacity or a procedure, it likewise decreases the supervisory time and endeavours it assembles certainty among the group while undertaking the errands.

Some templates of essential SOPs are given below:

Table 1: SOP – Training and New Employee Skill Building

Table 2: SOP-Performance Check

Table 3: SOP-Performance Evaluation-2

Part 3: Assessing Cost and Resources

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The goal is to provide overall a quality event that is liked by a large number of customers attending the event while also focusing on a fixed budget. The contingency plan, as earlier, included a further $5000, and in this case, the scene of international music will be excluded from all the amenities of the event. So, one of the amenities, such as the global music or the lighting on the last day, will be avoided. The theme of the musical night will be changed to disco rather than modern, leading to less lighting use. However, this is a plan that will be avoided at every cost to avoid sacrificing the quality.

Moreover, on the other hand, the weekly plan will also include the arrangement of the accommodation. As the event is done on behalf of the Australian Multicultural Foundation and conducted at the International Hotel Group, considerable attention and budget will be assigned to the accommodations to promote the hotel business. Regarding accommodation, as stated in the appendix, not more than rooms with a single bed will be provided for $200 a night. This will help generate maximum profit to lead a huge, grand event.

Monitor Work Operations

Part 1: Assessing and Monitoring Efficiency

The event is a short-term goal; therefore, it is already identified that the tactical asset allocation strategy will work best for the International Hotel Group. Thus, in this case, the company's most important priority is to require a rate of return regarding generating the revenues from the identified expenses. Some of the expenses will be the logistics, supply chain management, the launch of the event, which will consist of the marketing and advertising fees, and the effective team of staff members will be further hired. So, in this case, another identified expense will be the payroll expenses. Some of the temporary staff members will be hired for the event, such as interns, volunteers and event organisers, so for their purpose; the payroll expense is also an identified expense. This cost is the amount of salary and wages that are paid to the employees, and in return, they provide us with the services rendered to them by the event business team. Hence, a summary of the identified expenses are the payroll expenses, logistics, supply chain management, and the launch of the event, which will consist of the marketing and advertising fees.

The interns will be competent, capable and hired by their experience with the management of such events. Moreover, in this case, advertising and marketing fees will adhere to what was initially supposed to be given to the marketing and advertising agencies. As per the appendix, the budget has to be well-managed, effective, and efficient. The hiring and payroll expenses will eventually be rendered by also receiving a larger number of customers due to well-equipped marketing strategies run by the marketing team.

Part 2: Organization of Workflow

Workflow – Event Management at AMFS

Combined Team Rosters

Table 3: SOP-Performance Evaluation-2

Table 4 & 5: SOP-Performance Appraisal Ranking

Part 3: Meeting Minutes

Part 4: Staff and Media Delivery Report

A hotel that is genuinely endeavouring to assemble a "world-class" benefits culture will bend over backwards to create benefit guidelines that accentuate outstanding administration for each client. One of the key factors that different great administration from genuinely outstanding administration is consistency. Consistency implies repeatable. A fruitful hotel general administrator should be certain that the hotel staff knows how to react and act suitably in any given circumstance. Whether it's toward the beginning of the day or evening or night, whether it's the end of the week or a weekday, no matter what, and paying little respect to who happens to work that day.

Make preparing an ordinary need and not only a one-time occasion. This can appear like a mission unthinkable in an industry where most staff as of now, work well beyond sensible hours. Acting the hero is a new technology offering amazing preparation that doesn't require a protracted time-commitment. An expanding number of hotels are seeing the advantages of mixing conventional worker preparing strategies with in the nick of time preparing arrangements, for example, Performance Support Systems (PSS).

Consistency does not imply that each visitor ought to get a similar administration. Genuine administration brilliance requires personalization and making every client feel just as there is nobody else, right then and there, more critical than him or her. Front work area chaperons that remember you or call you by name are anxious to enable that to recollect your inclinations, and that can give profitable data are a tremendous resource that has a major effect.

Neighborliness might be one of the most established organisations on the planet. However, these days it should not shock anyone that hotel endeavours can just achieve their fullest potential by including current technology. As indicated by reports by Software Advice, hotels are quickly embracing hotel administration programming like property administration frameworks (PMS) to streamline the registration and registration process, create monetary reports, oversee staff and robotise everyday assignments – sparing time, easing the hotel staff the more monotonous obligations and enhancing the visitor encounter. Making it one stride further, hotels that need to serve their staff and clients far superior and get more ROI from their PMS frameworks are swinging to Performance Support technology.

References

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