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**Washington State University**  
**MAJOR CURRICULAR CHANGE FORM -- COURSE**  
(Submit original signed form and ten copies to the Registrar's Office, zip 1035.)

WSU Registrar

Future Effective Date: 07/01/2013  New course  Temporary course  Drop service course  
(effective date cannot be retroactive)  There is a course fee associated with this course (see instructions)

- Variable credit \_\_\_\_\_
- Repeat credit (cumulative maximum \_\_\_\_\_ hours)
- Increase credit (former credit \_\_\_\_\_)
- Lecture-lab ratio (former ratio \_\_\_\_\_)
- Number (former number \_\_\_\_\_)
- Prefix (former prefix \_\_\_\_\_)
- Crosslisting (between WSU departments)  
(Must have both departmental signatures)
- Cooperative listing (UI prefix and number \_\_\_\_\_)
- Conjoint listing (400/500)
- taught by: WSU  UI  jointly taught
- S, F grading
- Request to meet Writing in the Major [M] requirement (Must have All-University Writing Committee Approval)
- Request to meet GER in \_\_\_\_\_ (Must have GenEd Committee Approval)  Fulfills GER lab (L) requirement
- Professional course (Pharmacy & Vet Med only)  Graduate credit (professional programs only)
- Other (please list request) \_\_\_\_\_

HBM 582 Hospitality Operations Analysis  
course prefix course no. title

3	3	0	0	Acctg 230, Acctg 281, BLaw 210, Econ 401, Econ 102, MgtOp 340, Mktg 360, Fin 325, and MgtOp 215
credit	lecture hrs	lab hrs	studio hrs	prerequisite
	per week	per week	per week	

*Sent email concerning undergraduate prerequisites. Attached.*

Description (20 words or less) This course presents yield/revenue management and managerial accounting concepts within the hospitality industry.

**Instructor:** Christina G. Chi Phone number: (509) 335-5828 Email: christina.chi@wsu.edu  
**Contact:** Nancy Swanger Phone number: (509) 335-2443 Email: swanger@wsu.edu  
**Campus Zip Code:** 4736

- Please attach rationale for your request, a current and complete syllabus, and explain how this impacts other units in Pullman and other branches (if applicable).

Secure all required signatures and provide 10 copies to the Registrar's Office.

Nancy Swanger 10.16.12  
Chair/date

[Signature] 2/6/13  
Dean/date

\_\_\_\_\_  
General Education Com/date

\_\_\_\_\_  
Chair (if crosslisted/interdisciplinary)\*

\_\_\_\_\_  
Dean (if crosslisted/interdisciplinary)\*

\_\_\_\_\_  
Graduate Studies Com/date

\_\_\_\_\_  
All-University Writing Com/date

\_\_\_\_\_  
Academic Affairs Com/date

\_\_\_\_\_  
Senate/date

**\*If the proposed change impacts or involves collaboration with other units, use the additional signature lines provided for each impacted unit and college.**

# HBM 582

## Hospitality Operational Analysis

Semester: Fall 2013

Class Meetings: Tues & Thurs

Course Developer: Christina G. Chi, PhD

Office: Todd 337C

Office Phone: 509-335-5828

E-mail: [christina.chi@wsu.edu](mailto:christina.chi@wsu.edu)

Office Hours: Tues and Thurs

### COURSE OVERVIEW

This course presents revenue management and financial management concepts and explains how they apply to specific operations within the hospitality industry, especially focusing on the lodging operations. It is designed to improve students' critical thinking skills relative to hospitality revenue management and financial management, and assist students to 1) identify and understand the key elements required to integrate revenue management strategies across an entire organization; and 2) understand, analyze, synthesize and communicate operational and financial information obtained from hotel financial statements, operating statements and other sources.

### STUDENT LEARNING OUTCOMES

At the end of this course, students will be able to:

- Apply the concepts and theories of revenue management (RM) to manage hotel rooms' inventory, forecast future demand for rooms/services and develop pricing strategies.
- Evaluate and manage various distribution channels used by hotels to sell rooms and services
- Apply the RM principles and practices to optimize food and beverage sales
- Use various techniques to assess and evaluate the quality of a RM strategy, such as analyzing the Smith Travel Accommodation Report (STAR).
- Analyze hotel industry financial results, operating ratios, statistics, and productivity standards.
- Compare and evaluate hotels' financial performance and operating performance by analyzing the Uniform System of Accounts financial statements and operating statements, as well as employing other analytic tools learned from this course.

## REQUIRED MATERIALS

- 1) Hayes, D. K., & Miller, A. A. (2011). *Revenue Management for the Hospitality Industry*. Hoboken, New Jersey: Wiley.
- 2) Yeoman, I. & McMohan, U. (2004). *Revenue Management and Pricing: Case Studies and Applications*. Cengage Learning EMEA.
- 3) Hotel Association of New York City, Inc. (2006). *Uniform System of Accounts for the Lodging Industry* (10<sup>th</sup> ed.). Lansing: American Hotel & Lodging Educational Institute.

## EVALUATION

Industry News Posts	25 points
Case studies	100 points
Homework Problems	75 points
Two Exams	200 points
<u>Team Project – Annual Report Analysis</u>	<u>100 points</u>
Total Possible Points	500 points

A	470 – 500	94 – 100%
A-	450 - 469	90 – 93.9%
B+	435 – 449	87 – 89.9%
B	415 - 434	83 – 86.9%
B-	400 - 414	80 – 82.9%
C+	385 - 399	77 – 79.9%
C	365 - 384	73 – 76.9%
C-	350 - 364	70 – 72.9%
D+	335 - 349	67 – 69.9%
D	300 - 334	60 – 66.9%
F	Less than 300	Less than 60%

## ATTENDANCE

Regular attendance at every class session and constructive participation in class activities are essential to the success in this class. Attendance will be taken at the beginning of each class.

You will be permitted two undocumented absences. Such absences would include undocumented sick leave, absences due to student organizations' activities or class projects in other courses, family emergencies, interviews and etc. **Each unexcused absence in excess of that number will result in a reduction of 4 points.**

### **MAKE-UP EXAM POLICY**

There will be **NO** make-up exam unless you can provide evidence of a real emergency and arrangements have been made with the instructor **prior to missing the exam**. Make-up test will be significantly more difficult than the scheduled exam. There will absolutely be **NO** make-up opportunities for in-class assignments and bonus exercises.

### **LATE HOMEWORK POLICY**

Homework should be turned in at the beginning of the class on the due date. Homework submitted after class on the due date is considered late and will receive a **25% off** late penalty. Homework submitted a day after the due date will receive an additional **25% off**. No credit will be given for homework submitted two days since it is due, i.e. homework that's due on a Tuesday will not receive credit if it's submitted on Thursday of the same week or later; and homework that's due on a Thursday will receive no credit if it's submitted on Saturday of the same week or later.

### **INDUSTRY NEWS POSTS (25 points total)**

Keeping up with what is happening in the industry is essential to make the classroom learning relevant and current. For each week, two industry news clippings will be posted on Angel Learning under the tab of "Discussions". You are expected to read all of them. You are expected to post at least one comment (3-5 sentences) to one of the news clipping of your choice. You are of course encouraged to post a comment to each of the news articles if you wish to do so. If there are already more than 15 comments posted on a particular article, move to a less "crowded" post. Regular participation is expected. You cannot make up for a missed post in a particular week by posting two comments in another week. Industry news post for each week is worth 1 point.

## **HOMEWORK PROBLEMS (75 points total)**

Five homework problems related to hotel operational and financial analysis will be assigned to help students reinforce concepts learned from the course. These problems include analyzing the STAR, hotel operating ratios calculation, hotel franchise fee and management fee calculation, hotel departmental operating statements comparative analysis, and hotel financial ratios analysis.

## **CASE STUDIES (100 points total)**

Five cases related to best practice examples of revenue management in the tourism and hospitality industry will be assigned. These cases will allow students to evaluate real situations faced by revenue managers and gain useful insights into the revenue manager's thinking. You will get opportunities to debate, discuss and interpret revenue management scenarios that could help improve business performance.

## **TEAM PROJECT (100 points total)**

Early in the semester, you will be randomly assigned to teams for a term project. The details are as follows:

### Part A: Company Identification (6 points)

From the U.S. Securities & Exchange Commission (SEC) Edgar company search page <http://sec.gov/edgar/searchedgar/companysearch.html>, type in one of three SIC (*Standard Industrial Classifications*) codes: **7011** (hotels and motels); **5812** (retail – eating places); **7900** (services – misc. amusement & recreation). This is a complete list of firms in each classification that filed with the SEC. Choose a firm from the list that you can find **annual reports** for the most recent three years. Write a **1-2 page** report. Report should identify the business the firm is in (what do they do?), the size of the firm (how large are they?), its location(s) (where do I find the firm?), its competition (who might customers choose instead?), and tell me why you choose this firm.

### Part B: Operational and Financial Assessment (50 points)

- Compare the company's operating statistics such as **occupancy, ADR & RevPAR** over the three years and with its closest competitor (from the competitor's annual report) and the industry average (from PKF '*Trends*' or STR '*HOST Report*'). Examine additional

information if necessary to explain any variation over time and from the industry standard.

- Analyze balance sheet & income statement preparing **common size and comparative** statements.
- Conduct **ratio analysis** including, liquidity, solvency, profitability and turnover ratios.
- Evaluate the operational performance and financial condition of the firm based on the analysis above and write a **4-5 page** report.

Part C: Pulling it all together (14 points)

Based on the information you have collected in part B **and** additional information from side research such as the Internet, business periodicals, WSJ, etc., provide an overall evaluation of the firm and determine whether you would invest and/or work for this firm. Use tables and graphs as appropriate to support your point. Write a **2-3 page** report. Please list sources used.

Presentation (20 points)

You will need to prepare a **20-minute** formal presentation including Q & A and discussion time. This is to mirror the business environment in which synthesis of a topic is followed by a presentation to peers or clients. The presentations involve the major points/conclusions of your paper. Use of audio-visual aids, multimedia, power point, etc., are strongly encouraged. Presenters should dress in at least **business casual**.

Peer evaluation (10 points)

You will have an opportunity to evaluate the members of your team. Each team member will be evaluated based on criteria such as 'contribution', 'completion', 'quality', 'promptness', and 'team play', which document the effective or ineffective aspects of your participation and relative contribution to the projects. These evaluations will then be used to assign individual grades to the team members.

## **ACADEMIC INTEGRITY**

Academic integrity will be strongly enforced in this course. Any student caught cheating on any assignment will be given an F for the course and will be referred to the Office of Student Conduct.

I encourage you to work with classmates on assignments. However, each student must turn in original work. No copying will be accepted. Students who violate WSU's Policy on Academic Integrity will receive an F as a final grade in this course.

Academic integrity is the cornerstone of the university. Any student who attempts to gain an unfair advantage over other students by cheating, will fail the course. You must do your own work.

## **DISABILITY ACCOMMODATION**

**Students with Disabilities:** I am committed to providing assistance to help you be successful in this course. Reasonable accommodations are available for students with a documented disability. If you have a disability and may need accommodations to fully participate in this class, please visit the Access Center (formerly DRC). All accommodations **MUST** be approved through the Access Center (Washington Building, Room 217). Please stop by or call 509-335-3417 to make an appointment with an Access Advisor.

## **Health and Safety on Campus**

The Campus Safety Plan can be found at <http://safetyplan.wsu.edu>. WSU Emergency Management web address is <http://oem.wsu.edu/Emergencies> and WSU ALERT site is <http://alert.wsu.edu>.

### Tentative Class Schedule

\*This schedule is not set in concrete. Current events, learning challenges etc. may dictate modifications.

Week	Date	Topics	Assignments
1	Tues	Introduction to Revenue Management	
	Thurs		
2	Tues	Strategic Pricing	
	Thurs	Role of Value in Pricing	
3	Tues	Differential Pricing	Case Study 1
	Thurs		
4	Tues	Forecasting Demand	Case Study 2
	Thurs		
5	Tues	Inventory & Price Management	Case Study 3
	Thurs		
6	Tues	Distribution Channel Management	Case Study 4
	Thurs		
7	Tues	Revenue Management for Foodservice Operations	Case Study 5
	Thurs		
8	Tues	Evaluating Revenue Management Strategy	Problem 1
	Thurs		
9	Tues	<b>Mid-term Exam</b>	
	Thurs	USALI - Balance Sheet	
10	Tues	USALI – summary operating statement	Problem 2
	Thurs	USALI – summary operating statement	
11	Tues	USALI – Departmental operating statements (Rooms)	Problem 3
	Thurs	USALI – Departmental operating statements (Food & Beverage)	
12	Tues	USALI – Departmental operating statements (other operated departments)	
	Thurs	Tools of Operational Analysis: Comparative Analysis	Problem 4
13	Tues	Tools of Operational Analysis: Trend Analysis	
	Thurs	Tools of Operational Analysis: Ratio Analysis	Problem 5
14		<b>Thanksgiving Vacation. No Class</b>	
15	Tues	Presentations	Team Project
	Thurs		
16	Tues	Presentations	
	Thurs		
17		<b>Final Exam</b>	



**Schmidtlein, Barb**

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**From:** Schmidtlein, Barb  
**Sent:** Wednesday, March 13, 2013 10:07 AM  
**To:** Chi, Geng-Qing  
**Subject:** RE: HBM 582

Thanks Christina. I'll give this to the committee.

*Sincerely,*

*Barb*

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**From:** Chi, Geng-Qing  
**Sent:** Tuesday, March 12, 2013 2:42 PM  
**To:** Schmidtlein, Barb  
**Cc:** Swanger, Nancy Ann  
**Subject:** RE: HBM 582

Thanks, Barb. Yes, you could change the prerequisite undergraduate course to recommended preparation. I don't believe there is a graduate level course that can be listed as a pre-req for HBM 582. Thank you for your help.

Sincerely,

Christina

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**From:** Swanger, Nancy Ann  
**Sent:** Tuesday, March 12, 2013 1:28 PM  
**To:** Schmidtlein, Barb; [christina.chi@wsu.edu](mailto:christina.chi@wsu.edu)  
**Subject:** RE: HBM 582

I'll defer to Christina on this.

Nancy

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**From:** Schmidtlein, Barb  
**Sent:** Tuesday, March 12, 2013 1:27 PM  
**To:** Swanger, Nancy Ann; [christina.chi@wsu.edu](mailto:christina.chi@wsu.edu)  
**Subject:** HBM 582

Hi,

I have just logged the Major Curricular Change request for HBM 582 in preparation for the next Catalog Subcommittee meeting and noticed that the prerequisites listed for this course were all undergraduate courses. I wanted to let you know that graduate courses cannot have undergraduate courses for prerequisites. So I have listed this course without any prerequisites.

Is there a graduate course that you would prefer be listed as a prerequisite?

The alternative would be to use the "Recommended preparation" phrase to list undergraduate courses that would be useful preparation in this graduate course.

Example of a graduate course using the recommended phrase:

**BIOLOGY 562:**

Community Ecology 3 Assembly, essential properties, levels of interactions, succession, and stability of natural communities; emphasizes an experimental approach to community investigation. Credit not grand for both BIOLOGY 462 and 562. Recommended preparation: BIOLOGY 372. Offered at 400 and 500 level.

Hope this helps.

*Sincerely,*

*Barb*