**Decision Making and the Need for Data and Information Sharing: Hotel Case Study**

In the lecture this week we focused on the need to collect data about the different processes in the organisation. This data is collected at the operational level of the organisation in the transaction processing system (TPS). It is the accumulation of the TPS data that feeds the Management Information System (MIS) and Decision Support System (DSS) that helps middle management to make decisions. At the senior level, the data accumulated from the MIS; the DSS and external data is feed into the Executive Support System to enable them to make decisions.

**Today’s Tasks**

1. Match the four different types of system to the correct definition.
2. Summarise the types of decisions made at each level for Hotel Plaza Nouveau, by making a table.
3. Identify the order-winners; order-qualifiers and less-important factors for Hotel Plaza Nouveau.

**Task 1 – Defining Different Systems in Business**

Draw lines between the different types of system to match them to their definitions:

| 1) Executive Support System (strategic) | a) “Information systems at the organisation’s management level that combine data and sophisticated models or data analysis tools to support non-routine decision making.” |
| 2) Management Information System (tactical) | b) “Computerized systems that perform and record the daily routine transactions necessary to conduct the business; they serve the organizations operational level.” |
| 3) Decision Support System (tactical) | c) “Information systems at the organization’s strategic level designed to address non routine decision making through advanced graphics and communications.” |
| 4) Transaction Processing System (operational) | d) “Information systems at the management level of the organization that serve the functions of planning, controlling, and decision making by providing routine summary and exception reports.” |
TASK 2 – TYPES OF DECISIONS IN HOTEL PLAZA NOUVEAU

Read the case study:

HOTEL PLAZA NOUVEAU

The Hotel Plaza Nouveau was a luxurious boutique hotel in West London. The hotel started out as a 20 bedroom boutique hotel, but recently relocated into a new building with 120 rooms. Pierre Larcont, the hotel manager, designed a unique hotel that prides itself on providing excellent customer service with high-quality individually designed rooms and a top-class dining experience. However, since moving into the 120 room hotel, the reservations and reception manager, Claudia Johnson has become increasingly worried about the level of service. Claudia says, “When we had 20 rooms it was easy to provide a quick check in with our registration forms and folder of repeating customers. But now, it can be chaotic, particularly at check out time when everyone can arrive 5 mins before check out time expires. The reception just can’t cope with this high volume.” She goes on to explain, “I used to have 3 receptionists and they all knew what to do, I now have 6 and they don’t seem to understand the reservation process, I ended up with double-booked rooms and all sorts of problems that I have to fix. I wish I had time to sit down and make a clearer process and train everyone, but at the moment, I have too much to do making sure the customers are happy.” The problems at Hotel Plaza Nouveau’s reception create problems for house-keeping. John Higham explains, “They don’t seem to have a clue which rooms are occupied and which aren’t. My poor ladies are running from room to room trying to figure out which ones need a full service clean and which are occupied and need tidying. We’re fed up of striping and re-making beds when the customer is staying in the room. Claudia needs to sort this out; she just can’t cope on reception at the moment and is making more work for us.”

It’s not only Hotel Plaza Nouveau’s reception that is struggling to cope, head chef Jacques Piorit explains, “When I had a smaller kitchen with a capacity of 20 covers at a time, I could ensure the quality of the meals and that they were delivered quickly to the restaurant or on to room service. But now, I have more sous-chefs and waiters, but I simply cannot do it all. There needs to be some division between room service and covers in the restaurant, I cannot be responsible for both. My reputation for excellence is at stake.” Jacques is also worried about the lack of variety, Jacques says, “I have no time to develop new specials or a changing menu that compliments the season, I fear I will end up using the same menu for months and months, but worst of all, I fear that Hotel Plaza Nouveau is becoming like a chain hotel.” Pierre Larcont is deeply troubled by the teething troubles that Hotel Plaza Nouveau is having, he concludes: “Maybe scaling up the hotel was not a good idea. I’m scared I will lose my loyal customers. I think we need a more efficient way of serving our customers and monitoring our service. I think for us to continue we need to think carefully about our processes and use technology to help us know our customers and serve our customers better.”

Hotel Plaza Nouveau are struggling with expansion and are finding that becoming a larger business is more complicated. They don’t have clear processes or a system to support their decision-making.

Firstly, consider the different decisions they are making in the different parts of the business:

- Strategic
- Tactical
- Operational

Summarise the types of decisions made at each level (top-level; tactical and operational) for Hotel Plaza Nouveau, by making a table.
Here is the basic layout of the table; you need to fill in the boxes!

<table>
<thead>
<tr>
<th>Level of Decision Making</th>
<th>Types of decisions made</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic decisions</td>
<td></td>
</tr>
<tr>
<td>Tactical decisions</td>
<td></td>
</tr>
<tr>
<td>Operational decisions</td>
<td></td>
</tr>
</tbody>
</table>

**TASK 3 – ORDER-WINNERS; ORDER QUALIFIERS AND LESS IMPORTANT FACTORS**

The final task, is to be conducted in small groups, your tutor will let you know which group you are in. Below are some quotes from Hotel Plaza Nouveau’s customers, read through these. Identify the order-winners; order-qualifiers and less-important factors for Hotel Plaza Nouveau based on what the customers have said and what the employees said last week.

You should present these as a mini presentation.

“I go to London on business about once or twice a month and I always stay at the Hotel Plaza Nouveau as the rooms are that bit more luxurious than other hotels and I can be guaranteed a wonderful evening meal in the restaurant. I do think they are a bit more expensive, but to me it’s worth it. I must say the new building is impressive, but service is a bit slower”

Gayle Thomas, UK Sales Manager

“This is my first visit to London for sight-seeing. I chose the Hotel Plaza Nouveau, and I have to say, it’s not quite what I expected. I have to admit that our room was fantastic and our meals were delicious. But my wife and I had to wait a long time to be served at check in and in the restaurant. I expected better service at that price.”

Amit Shah

“I choose the Hotel Plaza Nouveau for its reputation for excellent rooms and food. I was not disappointed. The best hotel in West London – if you want to escape the chain hotels!”

Jeffrey Shipton

“We use the Hotel Plaza Nouveau for our visiting business men/women. We have found they prefer the smaller but luxurious style the Plaza Hotel Nouveau has to offer.”

Mandepatil, PR and Hospitality Executive

“I love the style of the Hotel Plaza Nouveau, it feels like a treat to stay here! My only gripe would be the long wait to check out in the morning, lucky I wasn’t in a rush.”

Annabelle Clarke

**HOMEWORK**


ii) Slack et al 2010 (black cover): Read Chapter 2 – Operations Performance

iii) Complete the workshop task (if not complete in the class)