

# CHAPTER 2

## *Managing Inventories*

# Types of Inventories

- Recycled inventories are those items that have limited useful lives but that are used over and over again in housekeeping operations. E.g. linens, uniforms, guest loan items, some machines and Equipments.
- Non-recycled inventories are those items that are consumed or used up during the course of routine housekeeping operations. E.g.

# Par and Minimum/Maximum Levels

- In order to manage the inventories, first of all, the exec. housekeeper must determine the par levels for each recycled inventory item, and minimum/maximum levels for each non-recycled inventory item.

- Par number is the standard number of recycled inventoried items that must be on hand to support daily housekeeping operations.
- Minimum/maximum level is used to measure the on hand quantity for the non-recycled inventoried items. When quantities of a non-recycled items reach the minimum level established for that item.

# Managing Inventories

In order to manage inventories;

- First; determine the inventory level for all types of items used in the hotel
- Second; control the inventory level of the items. For this;
  - develop standard policies and procedures that control the storage, issue and movement of items from the laundry and the main storeroom
  - take physical inventory of all items in use and in storage

# Managing Recycled Inventories

- Linens
- Uniforms
- Guest loan items
- Machines and equipment



# Linens

The exec. housekeeper is responsible for the storage, issuing, use and replacement of three main types of linen inventories;

- bed – sheets, pillowcases, mattress pads or covers
- bath – bath towels, hand towels, specialty towels, wash cloths, fabric bath mats
- table – table cloths, napkins,

## *Establishing Par Levels for Linens*

- When establishing linen par levels, the exec. housekeeper needs to consider three things;
  - the laundry cycle; three par of linens (if the hotel change and launder linen daily): one par—linens laundered, stored and ready for use today, a second par—yesterday's linens which are laundered today, and a third par—linens to be stripped from the



- the replacement of worn, damaged, lost or stolen linen; a general rule of thumb is to store one full par of new linens as replacement stock annually.
- the emergency situation such as power failure, equipment damage; one full par of linens in reserve for emergencies.
- In summary, totally five par of linens should be maintained on an annual basis.

# *Controlling the Inventory of Linen*

- *Storage*: laundered linens should rest in storage for at least 24 hours before being used in order to increase their life and give the opportunity for wrinkles to smooth out.
- *Issuing*: issuing procedures ensure that each floor linen closet is stocked with its par amount at the start of each day. A floor par equals the quantity of each type of linen that is required to outfit all rooms serviced from a particular floor linen closet. In order to determine the

requirements for each floor linen inventory, the followings are needed;

- *occupancy report*
- *linen discard record; is used to record the number of damaged and discarded linens.*
- *linen control form; is used by the room attendants to record the number of soiled linens by type that are removed from guestrooms and*

- *Taking a physical inventory of linen;*
- All linens must be counted in the hotel. They may be located in the; main linen room, guestrooms, floor linen closets, room attendant carts, soiled linen bins or chutes, soiled linen in laundry, laundry storage shelves, mobile linen trucks

## Keeping records in the physical inventory of linens;

- linen count sheet; is used to record the counts for every type of linen in each location.
- master inventory control chart; is used to record the totals on the linen count sheets. Once the totals are collected, the results of the inventory can be compared to the previous inventory control to determine actual usage and the need for replacement purchases.

# Managing Non-recycled Inventories

- Cleaning supplies and small equipment items
- Guest supplies
- Printed materials and stationery

## *Establishing Inventory Levels for Non-recycled Items*

- The par number for a non-recycled item is a range between a minimum and maximum inventory quantity based on the;
  - usage rates
  - occupancy levels or average occupancy
  - frequency with which supplies are to be reordered
  - lead time

- The minimum quantity = the lead time quantity + safety stock level
- The maximum quantity = the number of days between orders / the number of days it takes to use one purchase unit + minimum quantity



- the lead time quantity refers to the number of purchase units that are used up between the time that a supply order is placed and the time that the order is actually received.
- the safety stock level refers to the number of purchase units that must always be on hand to operate smoothly in the event of emergency, spoilage, unexpected delays in delivery etc.

# Cleaning Supplies and Small Equipment Items

- are consumed or used in the course of routine housekeeping operations.
- cleaning supplies e.g. all purpose cleaners, disinfectants, germicides, bowl cleaners, window cleaners, metal polishes, furniture polishes.
- small equipment items e.g. brooms, dust mops, wet mops, mop wringers, cleaning buckets, spray bottles, rubber gloves, protective eye

# *Controlling the Inventory of Cleaning Supplies*

## ■ Storage, issuing and movement of cleaning supplies:

- perpetual inventory of all cleaning supplies is used to provide a record of all materials requisitioned for supply closets.

When the perpetual record shows that on-hand quantities for particular cleaning supplies have reached the minimum quantities (the order point), a requisition for sufficient quantities can be placed to bring the quantities back up to the maximum levels.

- Taking physical inventory of cleaning supplies: physical count of cleaning supplies should be made every month.

Previous physical inventory  
(beginning inventory) + monthly  
purchases - issues = ending inventory

Ending inventory - expected  
amounts on hand = the loss

## Records that are used in physical inventory of cleaning supplies:

- inventory record is used as a worksheet for taking the physical count of all cleaning supplies.
- form for calculating expected inventories is used to determine the expected inventory for each cleaning item. The results of the physical count can be compared to the expected ending inventory. The variance gives the loss.

# Guest Supplies

- E.g. bath soap, facial soap, toilet seat bands, toilet tissue, facial tissue, hangers, glasses, plastic trays, water pitchers, ice buckets, matches, ashtrays, wastebaskets, lotions, shampoos, conditioners, bath foam, shower caps, shower mats, candy mints, pens, stationery, printed items such as “do no disturb” signs, fire instructions, guest comment forms, hotel or area marketing materials

*Example:*  
*Establishing Minimum/Maximum  
Inventory Levels for Bath Soap*

Calculate Minimum/Maximum  
*Inventory Levels of Bath Soap for a  
hotel having 200 rooms average  
occupancy and place orders once in  
a month.*

1. Step: determine how many bars of soap are contained in a standard package.

*Example: 1 case has 1000 bars of bath soap*

2. Step: calculate how many bars of soap will be used on an average day during the hotel's peak season (consider the occupancy level, and amount of items that would be used in each room each day).



3. Step: determine how many days it will take for the hotel's guests to use a standard purchase unit of soap.

*Example:* there are 1000 bars in each case, 200 will be used each day so  $1000 \div 200 = 5$  days to use up one case of soap. In other words, one purchase unit (case) of bath soap will be used up every five days.

4. Step: determine the minimum number of purchase units of soap that should always be in stock at any time. The minimum quantity = lead time quantity + safety stock level.

*Example:* safety stock level for soap is one case or enough for a five day supply and the lead time quantity is five days. So the minimum quantity is two cases (1 case for safety stock level + 1 case for lead time = 2 cases) In other words, the reorder point for soap is two cases.

5. *Step*: determine the maximum quantity of soap. Storage space and the frequency of orders affect the maximum quantity for soap. Maximum inventory = the number of days it takes to use one purchase unit + the minimum quantity.

- *Example: soap order is done once a month, the amount of time between orders is 30 days. So  $30 \div 5 = 6$  cases; the amount of soap that will be used in 30 days is six cases. Plus the minimum quantity of 2 cases;  $6 + 2 = 8$  cases; the maximum quantity for soap can be established as 8 cases. When the number of soap in inventory reaches 2 cases, the executive housekeeper should place an order of 6 cases.*

# As a result of taking physical inventory;

- In order to maintain the established par levels, the executive housekeeper has the correct figures on the number and type of all items;
  - in use
  - discarded
  - lost
  - in need of replacement
- those figures can then be used as cost control information in planning the budget of the department

*END OF CHAPTER*

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