

**Forecasting**  
**Importance of forecasting**



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## The Importance of Accurate Forecasts

- ❑ One of the first questions restaurateurs and hoteliers must ask themselves is very simple: “How many guests will we serve today? This week? This year?”
- ❑ The answers to questions such as these are critical, since these guests will provide the revenue from which basic operating expenses will be paid.
- ❑ Labor required to serve the guests is also determined based on the manager’s “best guess” of the projected number of customers to be served and what these guests will buy.

## The Importance of Accurate Forecasts

- Forecasts of future revenues are normally based on a careful recording of previous sales, since what has happened in the past in an operation is usually the best predictor of what will happen in that same operation in the future.
- With accurate sales records, a sales history can be developed for each foodservice outlet you operate, and better decisions will be reached with regard to planning for each unit's operation.

## The Importance of Accurate Forecasts

- ❑ Managers utilizing forecasts and forecast data understand some basic truths about forecasts. These include:
  1. Forecasts involve the future.
  2. Forecasts rely on historical data.
  3. Forecasts are best utilized as a “guide.”

# References

- **Hotel Front Office – R. Jatashankar Tewari – Oxford Publication—  
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- Managing front office Operations by Michale L Kasavana (AHLEI - Books)
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- Text book of front office operations and Management by Sudhir Andrews (Tata McGraw Hill)



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# School of Hospitality

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Course Name Front Office Management



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