**BUSINESS CASE**

# Company Overview

### About the Company

Leisure Coast Resort is one of the few holiday destination sites in Dagupan City. It is owned and operated by the Arzadon Leisure Corporation of Pangasinan.[[1]](#footnote-1) As early as 1998, the founders had already began brainstorming on the concept of a resort, governed mainly with the goal of instilling pride among the Dagupeños and boosting tourism locally, that would change the landscape of the Bonuan, Binloc area.[[2]](#footnote-2) Away from the hustle and bustle of the city, the resort is located strategically amidst rolling hills and lush lands to soothe and relax its customers.

In 2000, Leisure Coast Resort opened its doors to the public.[[3]](#footnote-3) This was headlined by The Sabina Restaurant and the Justine Hall Function Room which began their operations in September 16, 2000.[[4]](#footnote-4) Following these, a driving range and a family garden grill were also opened to the public. Furthermore, in December 2000, Gef's Water Park was established, attracting more than 150,000 visitors to date, and currently considered to be the most popular amenity of the resort.[[5]](#footnote-5)

Due to the growing needs of the customers, the resort has increased the number of amenities that guests can enjoy.[[6]](#footnote-6) To accommodate out-of-town guests, Leisure Coast Resort opened hotel rooms known as Cabañas with initially 27 rooms in 2001.[[7]](#footnote-7) In line with this, more function rooms were created to accommodate more customers. These include Niki's Garden, Ethan's Place, and the Arzadon Gym. Today, a zip line has been created for adventurous and thrill-seeking guests.

The resort has grown in popularity not only to local residents but also to out-of-town guests. Presently, the resort has forty-five rooms, and the founders are planning to create more rooms and more amenities to further attract more customers.[[8]](#footnote-8) By the year 2019, the president’s objective is to have 100 rooms available (currently a rate of 7-8 rooms a year).[[9]](#footnote-9) Also, the board of trustees is conducting a feasibility study for the possibility of adding amenities such as Go-carts and Tree houses.[[10]](#footnote-10)

### Mission

*“Strengthen family ties through camaraderie and togetherness by offering resort facilities.”* -Voltaire P. Arzadon, Company President

### Vision

*“We envision creating a closely-knit family, happy and contented after benefiting from the amenities of the resort.”* -Voltaire P. Arzadon, Company President

### Customers

The peak season of the resort is composed of two periods. These are July 1 to November 30 and February 1 to March 15.[[11]](#footnote-11) The resort caters to various visitors but most of the current guests come from the Luzon area, near Dagupan City, such as: Baguio, Tarlac, La Union, and Urdaneta.[[12]](#footnote-12) There are also some foreigners such as American and Korean visitors who indulge in many of the resort's facilities and amenities.[[13]](#footnote-13) The usual visitors are composed of businessmen and families. Few locals actually lodge-in the resort. But, the main target clients of the company are foreigners and *balik-bayans*.[[14]](#footnote-14) As of June 2012, 20% of the customers are foreigners – majority of whom are Koreans and Americans.[[15]](#footnote-15)

The resort also offers regular membership and international membership for their customers. For regular members, a payment of ₱6,000 is required annually to remain active and to avail of the different benefits.[[16]](#footnote-16) These benefits include such as: 30% discount for room rates and varying discounts for other amenities (usually 10%). Currently, the resort has 38 new members.[[17]](#footnote-17) According to the hotel supervisor, he estimated that around 800 customers have applied for regular membership since operations began in 2001 although not all of them are active.[[18]](#footnote-18) In addition to this, the resort offers international membership which is a 15-day accommodation valid for 3 years. To apply for international membership, a full payment of $600 is required upon application.[[19]](#footnote-19) The resort has gained twenty-four international members through the years; however, the board of trustees is currently debating whether or not to continue international membership due to its low profitability. [[20]](#footnote-20)

# The Current Situation

### Reservation/Booking Process

Whenever a guest wishes to reserve a room (either through phone, through email, or verbally), the receptionist will look for the folder corresponding to the month of the desired date. Within that folder, one sheet represents a day of that month. And within one sheet, there are forty-five rooms which are being monitored. The receptionist will check if there are available rooms of the type that the guest is looking for during the specified date of the customer. If there are available rooms, the receptionist will ask the customer for details such as: name, company (if necessary), contact number, and expected time of arrival, which will then be written into the sheet of paper. This process takes time to look through the folders and the individual sheets of paper. Because this is done manually, chances of human error in terms of inputting wrong information and inputting information in the wrong place is highly probable. Also, due to space constraints, the sheets do not contain the details of each room, for example, the type of room (deluxe, etc.) and the capacity (2 persons, and so on). Thus, the receptionist memorizes all these details, adding to the probability of committing errors. Consequently, cancelling reservations is also difficult. Keeping track of records is also very tedious because the piles of folders occupy a lot space and looking through these is deemed to be difficult. Also, the resort can only keep record of the past reservations for the last two years because of the medium used to store data. This process will become even more difficult during the peak seasons because even more guests will be booking in the resort.

### Charging Process

The resort has many amenities that customers can avail. Some of these are: the Water Park Canteen, Sabina Restaurant, Arzadon Gym, and Zipline. When a customer avails of these amenities, he has the option of charging the expense against his account if he is checked-in or is a member of the resort. The resort staff assigned in recording the customers’ expenses will fill-up a charge slip, ask the customer for his room number and signature, proceed to the reception area (which is very far from other amenities), confirm if the customer is actually checked-in, and finally submit the charge slip to the receptionist. If the staff is informed that the customer is not checked-in, he must return to the customer to charge him immediately. If the customer has an additional order, a new charge slip will have to be filled-up and submitted to the receptionist again. However, if the customer is a walk-in guest, he must pay the full amount upon transaction. This process is very tedious because it has to be done several times a day, each time a customer transacts, and most of the amenities are far from the reception area. To prove this point, the resort spans across five hectares, and some amenities are on opposite ends of each other (average of 3 minutes walking time from the hotel reception to either the restaurant or the canteen). This means that the staff in-charge of delivering the charge slips travel far distances whenever customers avail of the products or services. This is not done on a scheduled basis but done each time a customer transacts an order. In addition to this, the resort usually relies on interns to assist in this task especially during peak seasons. This process causes delays for the customer and a lot of effort and probability of mistakes for the resort and its employees.

### Check-out/Billing Process

As for the process of billing-out, the receptionist will compute for the total expenses only when the customer checks-out. Only by this time will the receptionist search the file cabinet for relevant charge slips issued and compute for the total amount to be paid by the customer. Also, the receipt is generated manually by writing down all the expenses. This causes inconvenience to the customer because he will have to wait for this process to be completed. Also, this process is very time-consuming (average of 5 minutes to complete the entire process per guest) and tedious especially if the customer incurred several charge slips over his stay. This problem becomes more evident whenever more than one guest approaches the reception area for check-out because they will have to wait in line for there is usually only one staff in-charge of the checking-out process. Like the previous processes discussed earlier, this process is very prone to human error in terms of computation errors and misplaced charged slips. Although these errors do not happen often or on a regular basis, the receptionist has reported that these do happen occasionally.

### Statistical Analysis

Moreover, the resort does not have a definite and proven way of determining which months or times of the year have the most customers and which types of rooms and amenities customers avail the most. As mentioned earlier, reservation data is kept in folders which are usually kept for at most two years only because they take up a lot of space and it will be hard to search through a lot of folders. Also, all the charge slips are not kept and organized. Because of these limitations, the resort cannot identify which amenities attract the most customers and thus to focus more on, and which amenities do not attract that much and therefore needs to be improved more.

### The need to address these problems

The resort plans on expanding from forty-five rooms to a hundred rooms (an additional of fifty-five more rooms) within seven years, and because all of their processes are done manually, the problems that the resort are currently facing will become more prominent, and the impact that these will have on the business will increase as more customers come in.

1. http://www.leisurecoast.com/about.html [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. Ibid. [↑](#footnote-ref-3)
4. Ibid. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Ibid. [↑](#footnote-ref-6)
7. Ibid. [↑](#footnote-ref-7)
8. Arzadon, Voltaire. Personal Interview. 1 September 2012. [↑](#footnote-ref-8)
9. Ibid. [↑](#footnote-ref-9)
10. Ibid. [↑](#footnote-ref-10)
11. Jugo, Jeffrey. Personal Interview. 1 September 2012. [↑](#footnote-ref-11)
12. Lomboy, Jonalyn. Personal Interview. 4 August 2012. [↑](#footnote-ref-12)
13. Ibid. [↑](#footnote-ref-13)
14. Ibid. [↑](#footnote-ref-14)
15. Ibid. [↑](#footnote-ref-15)
16. Ibid. [↑](#footnote-ref-16)
17. Ibid. [↑](#footnote-ref-17)
18. Jugo, Jeffrey. Personal Interview. 1 September 2012. [↑](#footnote-ref-18)
19. Ibid. [↑](#footnote-ref-19)
20. Ibid. [↑](#footnote-ref-20)