

Hotel Purchasing Management and Risk Control: A Case Study of H Hotel

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Abstract

In recent years, with the rapid growth of China's economy and national income and the rise of tourism. This not only brings new development opportunities to the hotel industry, but also poses great challenges in the fierce market environment, especially the COVID-19 pandemic in 2020 - 2021. Although the epidemic eased in the second half of 2021, the overall situation is still not optimistic. In such a competitive market environment, the hotel need to control the cost to win the competitive advantage. The purchasing department as the main departments in the hotel operation cost management, and it involves multiple management link which affect the hotel's operation efficiency and service level. Therefore, the aim of this study is to provide a more comprehensive perspective and understanding of hotel purchasing management by showing the relationship between the hotel's upstream suppliers and the hotel's internal operations, as well as the hotel's overall procurement management system. This study mainly adopts the case study strategy by using qualitative research. Data for this study were collected by using in-depth interview from the hotel managers, as well as analyzing existing hotel policies, rules and procedures.

The results show that the procurement management of the hotel industry has cost waste and procurement management loopholes, which need to be improved according to The Times, the market and customer needs. Hotel procurement management has to constantly strengthen the management of suppliers and the construction of internal procurement management system, in order to decrease purchase costs, reduce procurement risks, so as to increase the profits of the hotel. The findings of this paper will provide some suggestions for hotels to improve the efficiency of purchasing management.

Key words: Hotel, Procurement process, Purchase cost management, Procurement risk, Risk control

Introduction

Small and medium-sized enterprises are an important part of the development of socialist market economy in China. With the development of China's market economy, the development of small and medium-sized enterprises will promote the stable development of the economy and relieve the huge pressure on social employment. However, the number of small and medium-sized enterprises is large, many enterprises will face the competition and challenges from other enterprises. The huge market will also bring many risks, and the small and medium-sized enterprises themselves are relatively small, risk resistance is relatively weak, unable to identify and control risks in time, leading to the slow development of small and medium-sized enterprises. Therefore, the long-term and stable development of enterprises cannot be separated from internal control. A sound internal control system can help enterprises prevent and avoid many risks. In this development situation, in order to better development of enterprises, enterprises need to constantly improve their own internal control system.

In recent years, with the continuous development of economy, people's consumption level is constantly improving, and they have higher pursuit for material, culture and spirit. The increasing consumption in middle and high-end hotels has promoted the rapid development of China's tertiary industry and service industry. The number, scale and reception capacity of 5-star hotels have been greatly improved. Hotel has become one of the important industries in China, injecting strong impetus for the development

of social economy. According to the Culture and Tourism Administration, in the second quarter of 2020, there were 9,923 star-rated hotels in China's star-rated hotel statistics and management system, including 60 1-star hotels, 1,630 2-star hotels, 4,819 3-star hotels, 2,564 4-star hotels and 850 5-star hotels. While star hotels are increasing, budget hotels are also increasing rapidly, leading to increasingly fierce competition in the hotel industry. In terms of the development of star-rated hotels in Xiamen, with the development of tourism in Xiamen, the hotel industry in Xiamen has developed rapidly. Up to now, there are 4,307 hotels providing accommodation in Xiamen, among which 212 are middle and high-end hotels (4 or 5-star hotels and 4 or 5-star standard hotels), accounting for 4.85 % of the market. According to the data compiled by Maimai Research Institute, the average housing price in Xiamen has a slight downward trend as a whole. In terms of 5-star hotels, the average room price of 5-star hotels shows a slow and wavy downward trend. From 2013 to 2018, the average room price was 665 yuan/night/room. In 2016, the average room price reached the lowest value of 648 yuan/night/room, then picked up in 2017, and then declined slightly in 2018, the average room price was 651 yuan/night/room.

Garcia (2019) showed that the procurement cost can account for 70 - 80 % of the total cost of the hotel, and this, about 80 % of the goods undersupply and about 30 % of the goods quality problems are procurement management is not standard, resulting in procurement risk. According to Ma (2020) statistics, the procurement of raw materials, guest supplies and other aspects needed in the operation of the hotel accounts for 50 % of the sales revenue of the hotel. The reduction of the procurement cost of the hotel not only means the improvement of the hotel profit, but also enhances the performance of market competitiveness. Procurement is an important part of the daily operation of the hotel, and its procurement efficiency directly affects the hotel's management ability and service level.

Procurement management is the most difficult link to control in the hotel management, which is prone to fraud and other illegal and risky behaviors. As a 5-star hotel in Xiamen, senior management should not only focus on the brand effect of the hotel, but also improve the innovation of management, provide safe and guaranteed food at the lowest possible purchase cost, provide more humanized services, and expand the profit range of the hotel, with the ultimate goal of maximizing the hotel's profit.

The goal of hotel management is always to reduce costs and create more profits. Therefore, for the hotel, the lower the cost, the more profit the hotel can make. In the current hotel market, the imbalance of supply and demand, market competition is more and more intense. Reducing costs and improving efficiency have become the consensus of hotel managers. How to increase income and reduce expenditure, reduce cost and improve efficiency has become the consensus of hotel managers. Hotel procurement as the hotel cost control of the first pass, the level of its cost will directly affect the hotel's profit, is the basis of the hotel price positioning. Hotel procurement is very important to maintain the normal operation of the hotel. Many hotels lose money or go bankrupt because of improper management or control of purchasing department. High procurement costs and low procurement quality, resulting in losses in the competition, and eventually lead to losses or bankruptcy. According to the analysis of the reasons for the loss or failure of the hotel, the negative impact of purchasing hotel management has not been paid enough attention. In practice, procurement is a weak link in hotel management, which should be paid attention to by hotel management personnel.

The purpose of this study is to provide a more comprehensive perspective and understanding of hotel procurement management by showing the relationship between the 2 components of procurement management (suppliers and hotel internal management). In other word, this study analyses the relationship between the hotel's upstream suppliers and the hotel's internal operations, as well as the overall hotel procurement management system. Therefore, the main contribution of this study is to put forward the suggestions for improvement of hotel supplier management and internal management, enriched and developed the hotel purchasing management research. The findings of this study may be a guideline for the hotel to improve efficiency of procurement management.

Basic information about H hotel

H hotel is located in the heart of Xiamen, China, with elegant and unique design, close to the gold coast and Gulangyu Island across the sea. It is only 5 min away from Songyu Wharf to Gulangyu Island, the “garden of the sea”. It is the first choice for business meetings and leisure guests.

H hotel has 416 well-appointed and comfortable rooms with panoramic views of Xiamen Island and Gulangyu. All rooms enjoy free broadband and high-speed wireless internet, rain forest shower, capsule coffee machine. The hotel features luxury beds and branded luxury bath products to make your travel memories.

The hotel has 1 lobby bar and 3 restaurants with their own characteristics. The innovative and traditional Marriott Chinese Restaurant focuses on classic Cantonese cuisine and presents dishes as Chinese artworks for guests. The restaurant has 20 private rooms, including 12 ocean view wing, while dining experience extraordinary views. Gong Kitchen Western restaurant provides a variety of international cuisine buffet and a la carte dishes, guests can also experience the chef cooking scene in the open kitchen. The stylish Rising Sun Steakhouse offers seafood teppanyaki and a variety of selected steaks as well as Japanese plum wine.

The hotel has a total area of more than 3,000 m² of banquet and meeting space, including 1,100 square meters of column-free multi-functional grand ballroom, 6 m high, equipped with large High-Definition LED screens, and 9 multi-functional meeting rooms with first-class technical facilities. The hotel also has the Fitness center, spa, dry steam room, sauna, Jacuzzi, 21-m indoor heated swimming pool with children's paddling area. The 30-m outdoor seascape swimming pool is connected to the 600 m² outdoor garden.

H hotel currently has 9 departments, including front office department, housekeeping department, food and beverage department, security department, engineering department, purchasing department, sales department, personnel department and finance department, with about 160 employees. The hotel management did not disclose the current annual turnover, but only mentioned that the turnover has fallen seriously and is very unstable in the past 2 years due to the COVID-19 pandemic. H hotel is a new hotel just opened in recent years. Many aspects of management are not perfect, and there are some problems, especially procurement management.

Literature review

Purchasing management has been studied widely by scholars. In 1832, Charles Babbage put forward the concept of procurement management and advocated the standardization of procurement activities. Steele and Court (1996) believe that enterprise procurement risks include cost rise, raw material supply, market problems, logistics and transportation, etc. Enterprises need to deal with these problems in a timely manner. Zsidisin (2003) sum up his own views through the analysis of others' purchasing risks. He believes that the risks in the procurement process were due to the characteristics of the market itself and the mistakes of suppliers. Li (2011) believes that purchasing records should be paid attention to, and it has become an important criterion for judging whether an enterprise is compliant. Through analysis, the author finds that good purchasing records are closely related to effective risk management. The research results of the above scholars all show that procurement risk control is crucial for enterprises. Strengthening internal procurement control and reducing procurement risk can fundamentally improve the competitiveness of enterprises. Huadong (2015) study the risks in supply management from 2003 to 2013 and put forward the risk management and risk reduction measures in supply management. Rau (2017) and other scholars emphasize the importance of supplier management. A harmonious supplier relationship can reduce procurement risks and thus realize long-term profit value.

With the continuous improvement of China's market economic system, the scale of China's hotel industry is growing, and its industrial status is basically determined. Domestic scholars have also conducted related research. Ge (2014) argues that in the process of enterprise procurement of various, is one of the most important items to purchase. If poorly managed, it is easy to appear is fraudulent. The phenomenon of shoddy affects the development of the enterprise. At the same time, he also points out that completes the procurement risk control, and summarizes the relevant risks and a series of methods, each enterprise should according to their own way of purchasing, formulate a set of management measures and put them into

practice. In her work, Li (2011) states that the basic principles of enterprise management are to reduce procurement costs and standardize procurement processes to achieve effective cost management. Wan (2016) put forward that procurement management is the top priority of hotel cost control, which has a direct impact on hotel operation. It also emphasizes the key of financial management in cost management, and should enhance the working status of financial personnel, so as to effectively control and supervise the procurement staff. Tang (2016) studies the operation of star hotels in Yancheng. He analyzes the existing problems of star hotels, and believe that hotels should improve their competitiveness through internal management, talent management, innovative product and service, and innovative marketing mode. Xu (2017) analyzes the effective ways to control the cost of star hotels. The findings point out that the hotel managers should control the operating cost of the hotel through effective procurement control. The hotel should study and calculate the hotel cost system with activity-based costing. Wang and Liu (2018) believe that procurement management is the root of hotel management.

In order to better understand the hotel procurement management and answer the research questions, combined with the previous literature review, the following conceptual framework is made as illustrated in **Figure 1**.

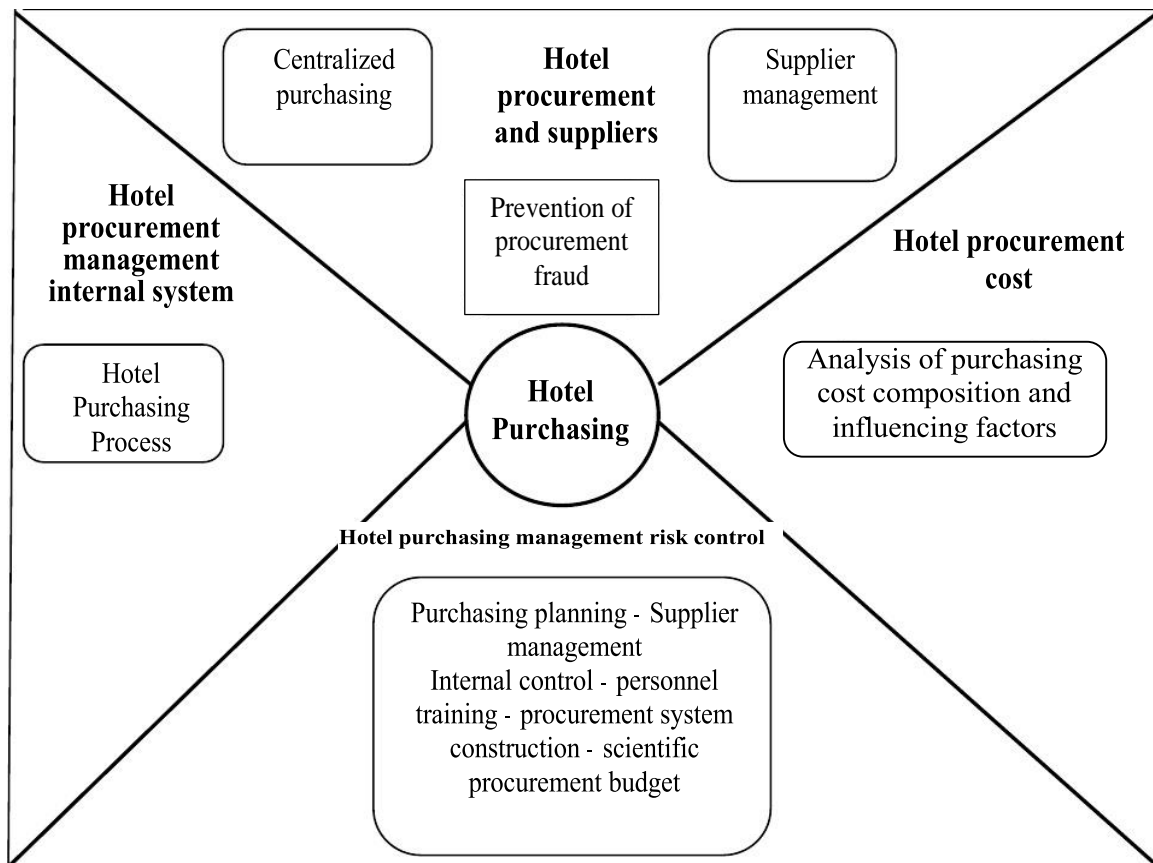


Figure 1 Conceptual framework.

Methodology

This study mainly adopts the case study strategy by using qualitative research. Therefore, there is only 1 sample in this study, namely H hotel that use as a unit of study. Data for this study were collected from the hotel managers, as well as existing hotel policies, rules and procedures. The hotel managers including purchasing manager, financial manager, general manager, suppliers and other experts who strongly related to procurement management.

The interview method was adopted in this study. The main purpose of an interview is to explore the opinions and suggestions on purchasing management and risk control in the hotel industry. It can further understand current situation of procurement management, and provide reference for the development of procurement management and risk control countermeasures. Interviews for this study were limited, but in-depth and lengthy. This is best when researchers tend to find rich and comprehensive information from a small number of participants. These questions are semi-structured and designed in advance to better control the interview process and keep it to the point. Most importantly, it helps keep the answers valid and the analysis part more reliable. It's not completely structured so it can flow more freely and there's room for change and further interpretation. As with other data collection methods, interviews have some drawbacks. Their time-consuming nature, such as pre-planning and organizing the interview process, spending time finding the right people and making the necessary arrangements, are some of the common problems associated with interviews. The issues of this study revolve around the major aspects of procurement management.

Data collected through interviews consists of 3 sets of interviews with 3 senior managers of H Hotel. Interview questions are formulated according to the conceptual framework of research questions. They are constructed in 4 modules of the procurement management process, namely supplier management, internal system, procurement cost, and procurement risk control, with special attention to procurement and supplier relations. Different factors influencing the relationship between these components were also identified.

For the purpose of the interview, the interviewees in this case were selected at the top management level. The researchers approached the hotel and expressed their interest in the study, which led to the appointment of 3 senior managers. Because of the nature of the question, lower-level employees were not included in the sample.

- They all have college education and hotel training.
- All 3 have at least 5 years of hotel experience.
- They all have management jobs in the hotel and service industry.

Research samples have the advantage of having relatively few cases that can be generalized to a larger population, making research more time-saving, manageable, cheaper and more accurate.

After the interviews, the researchers analyzed the samples, and the data analysis was carried out according to the following steps;

- 1) Listen to the whole interview recording once or twice to get familiar with the interview content, so as to understand the main points of the interview and reduce data.
- 2) Retell and summarize the data and transcribe the recorded audio.
- 3) Organizational data
- 4) Display the result
- 5) Draw conclusions based on the research questions and conceptual framework

Results and discussion

To complete the study, we asked a number of questions to the relevant managers. The hotel purchasing department generally has 3 important positions: Purchasing manager, purchasing supervisor and purchasing staff. The results of the study focus on the relationship between the hotel's upstream suppliers and the hotel's internal operations, as well as the hotel's overall procurement management system. There are several main findings as follows;

Relationship between hotel upstream suppliers and hotel internal operations

When asked about the relationship between suppliers and the hotel's internal operations, participants replied that H hotel has a set of rules regarding the selection of suppliers.

Purchasing managers always pay attention to and know the relationship between supply and demand of products when dealing with suppliers. Although "the lowest price wins the bid" in a general sense, hotels are willing to purchase products at the lowest price, but the responsible purchasing manager should do more is to compare various suppliers and their products, sometimes the lowest price of the product cannot guarantee the quality and stability of the product.

Suppliers should be compared for their qualifications. However, there are many kinds of so-called qualifications, including hard qualifications, such as whether an enterprise has a certain scale of production capacity, whether it is officially recognized as a qualified production enterprise, etc. If you can be selected for the industry standard drafting unit, it is a bonus. There are also industry honors, such as some industry awards. However, the current supplier's reputation is so mixed that it is difficult to measure, and this can only be used as a reference.

Evaluate the operating standards (product safety, quality standards, after-sales policies, etc.) when comparing suppliers. For example, products may not be safe if the supplier does not have good hygiene practices. A company with a certified food safety management system looks better than one with no qualifications.

Suppliers should also be compared to evaluate their delivery methods to determine whether they can deliver the products to the door in a timely manner and whether they can keep the products at the specified temperature during delivery.

But H hotel has just opened its procurement staff did not fully understand the information of suppliers, and save trouble, no records of supplier registration system, lack of scientific sorting, cause in the procurement system supplier information and communication disorders, which not only increased the purchasing colleague later work difficulty, also increases the risk. When purchasing personnel choose suppliers, they cannot see the historical cooperation record and have no reference to the past data, which may lead to improper selection of suppliers. Moreover, the certificates and qualifications of suppliers have not been updated in time, and many suppliers may have changed their names or changed their sales contents. If the purchasing personnel cooperate with the supplier without verification, it is easy for the supplier to issue formal invoices.

In the daily procurement operation process, there is a lack of standardized records of supplier delivery quality, delivery time and service level, and the performance evaluation of suppliers is not scientific, and the evaluation system is not perfect. Failure to issue incident reports for major errors in purchasing activities (such as suppliers' inferior quality or faithless behavior), and failure to carry out reasonable reward and punishment measures for suppliers. In some cases, the temporary supplier of the hotel may only cooperate once, so it is impossible to evaluate the supplier.

There are 2 major aspects of problems in supplier. The selection of supplier quantity is actually the sharing of supplier share. From the perspective of the purchaser, single channel increases the risk of purchasing resources supply, is not conducive to the price reduction of suppliers, and lacks the strength of purchasing cost control. From the perspective of suppliers, bulk supply has the advantage of quantity, which can give certain commercial discounts to the purchaser, reduce cash outflow and reduce procurement costs. Therefore, it is necessary to avoid single supplier and seek multiple suppliers in supplier selection. At the same time, it is necessary to ensure that the selected suppliers bear sufficient share, obtain preferential policies from suppliers, and reduce the price and procurement cost of materials. Ability to ensure the quality of procurement supplies and control procurement costs. Generally speaking, the number of suppliers should not exceed 4 - 5. Therefore, there are several suggestion regarding supplier selection as follows;

1) Establish strategic partnership with suppliers

For the purchaser, it is necessary to establish a direct strategic partnership with the supplier after determining the supplier for long-term cooperation. In line with the principle of "benefit sharing and risk sharing", both parties establish a win-win relationship, so that the procurement can obtain the guarantee in principle and the advantage in cost in the long-term cooperation, and the suppliers can also have long-term stable major customers to ensure the stability of the output scale. Strategic partnerships can bring effective long-term cost control benefits to material buyers.

2) Performance management of suppliers

In the process of cooperation with suppliers, certain performance appraisal management should be carried out every year to evaluate the advantages and disadvantages of suppliers' supply behavior in the process of cooperation. Set up supplier performance management information system of the supplier, to

establish a quantitative supplier behavior performance indicators, using the results of the performance management as the measure of the follow-up cooperation with suppliers, increase or decrease the supply share, extend or shorten the working time, etc., the supplier of incentive and he said, would help suppliers improve supply behavior, guarantee the high quality and timely delivery, Effectively reduce the total cost of purchasing. This is in line with Xu (2017) who stated that the hotel managers should control the operating cost of the hotel through effective procurement control.

3) Strengthen the management of suppliers

Procurement staff to collect supplier information (business license) to conduct a comprehensive inspection, investigating its supplier qualification and background, guarantee fair and open, the hotel's purchasing personnel should be according to the historical record of the supplier selection of high quality suppliers, cost should be strictly controls the procurement operations, to choose the appropriate suppliers in the hotel. In addition, suppliers should regularly update business license, account opening license, food circulation license or food business license, legal and effective health quarantine certificate, listing certificate and other relevant legal provisions of the valid licenses to the hotel every year, and actively cooperate with the hotel to carry out on-site investigation.

The finance department of the hotel shall carry out the bidding work regularly. After the supplier receives the invitation of the hotel to bid, it shall submit the bidding document within the specified time. The bidding document shall be sealed and delivered to the finance department with official seal, and the secretary of the finance department and the purchasing personnel shall take out the bidding document together each time. Suppliers shall bid and quote strictly in accordance with the financial and procurement system of the hotel. It is strictly forbidden to string bid, accompany bid, price gouging, stealing the concept of the target of the purchase and other acts to deliberately disrupt the hotel bidding, or maliciously monopolize the price. If the price rises or falls by more than 30 % due to objective reasons, the bid-winning supplier shall submit a written application for price adjustment. H hotel should unconditionally execute the group's purchase contract and classify and register the files and materials of suppliers for easy search and use in the future. For the supplier quotation updated every month, the purchasing personnel should timely input the quotation into the system.

Supplier send goods after receiving platform, all acceptance, weighing behavior must be completed under the camera at the hotel, unified acceptance fresh foods in the morning, a fresh class unified acceptance in the afternoon, the supplier delivery personnel shall actively cooperate with the receiving department, of all the goods in accordance with the hotel's receiving standard of acceptance, strictly abide by the hotel related health security system. Suppliers are strictly prohibited from dishonest behaviors such as shoddy goods, short weight, fish eye mixing beads, stealing hotel property or colluding with hotel staff for illegal profit. After the acceptance of the goods, the delivery personnel, cooks, suppliers should sign on the receipt for confirmation, as the basis of the hotel payment settlement.

For price, reputation, quality, service quality and other high-quality suppliers, we should maintain a good long-term cooperative relationship; If the supplier fails to make improvement after receiving the notice, the hotel has the right to cancel or terminate the supplier's qualification to avoid greater losses. In this way, suppliers can be strictly required, but also let the hotel keep retreat, can timely stop loss.

Hotel overall procurement management system

When it comes to the hotel's overall procurement system, they added that H hotel has a well-established internal procurement process.

In the opening process, the hotel will build the corresponding procurement system, so the purchasers using the department should first apply for the procurement account (must have the signature of the department head), and then apply for the project in the system according to the needs; The procurement clerk selects the corresponding suppliers according to the procurement content (suppliers are generally from the hotel's common supplier database, are the hotel's long-term cooperation suppliers, the procurement department should conduct supplier qualification audit, and sign contracts with them). Approve the purchase list, generate the purchase order, and send it to the receiving department. The receiving department

notifies relevant user departments to carry out acceptance according to the list. Unqualified products will be rejected. The receiving department shall print the receiving report every day and send it to the financial department. After the cost is verified, the report will be sent to the payable supervisor. The payable supervisor will check the account with the supplier according to the receiving record every month and pay the supplier after the verification.

The daily procurement process of the hotel is mainly the procurement of fresh food materials such as kitchen and staff canteen. The specific process is shown in **Figure 2** below;

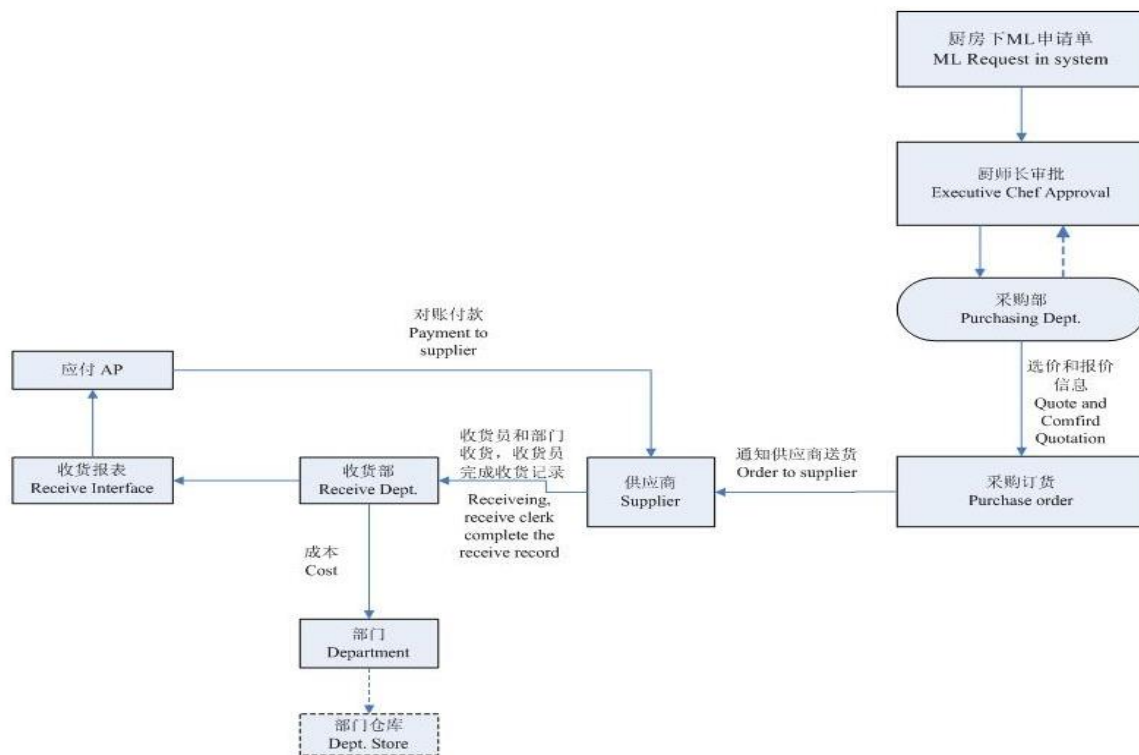


Figure 2 Daily procurement process.

Procurement of other supplies for H hotel, mainly office supplies for the department, guest supplies for housekeeping department, loss prevention department, engineering department, linen, machine parts, etc. The specific process is shown in **Figure 3** below.

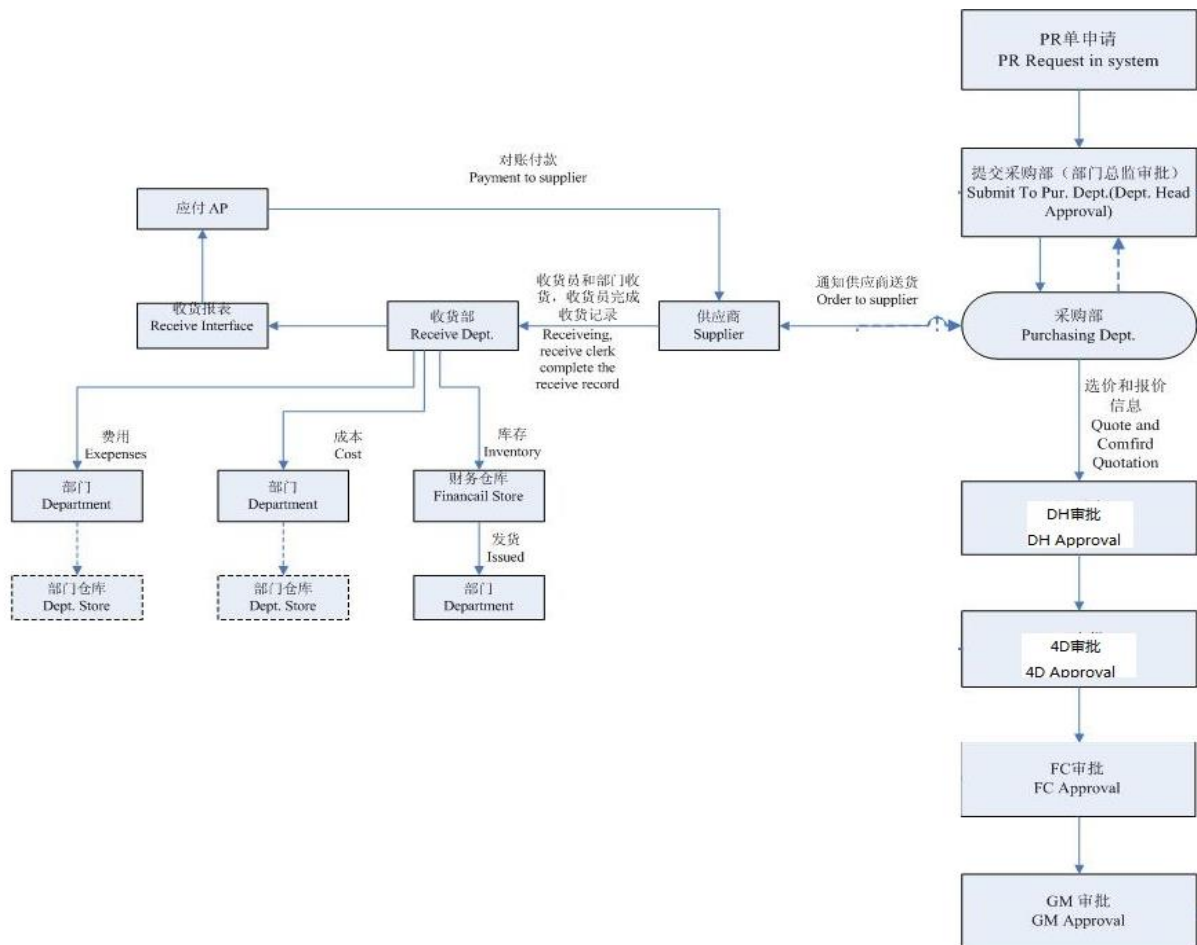


Figure 3 Procurement process of other supplies.

Through the understanding of the hotel's internal procurement system, we also found some problems in the procurement management of H hotel as follows;

1) The procurement plan is not scientific or rigorous

The procurement plan is the starting point of the whole procurement work and plays a crucial role. The storage materials of the hotel, especially the guest items and tableware, require a large amount. In theory, the operation department should purchase according to the monthly usage, and make adjustments and updates according to different situations and seasonal changes. However, in reality, hotel procurement plans sometimes only rely on the empirical judgment and subjective speculation of warehouse personnel to determine the procurement time and quantity. Lack of strong data support, blind procurement leads to excessive inventory in the warehouse, inventory cost increases, and current assets suppression. Hotel chefs covet save trouble, for example, a 1-time purchase of raw materials, cost and procurement staff is not found in time, time grows, the easy to the risk of food expiration, wasteful, if cook accidentally made into food for the guests, easy cause poisoning, which lead to the risk of cost increase, the risk of the latter leads to hotel management. Another example is that the restaurant has not purchased a large number of high-end drinks for the banquet according to the operation situation, but the hotel's business is not so good, and the wine sales are low, resulting in the backlog of inventory costs. H hotel often has a large number of sporadic procurement phenomenon, repetitive work, not only affects the normal operation and service quality of the hotel, but also increases the cost of hotel procurement management, causing serious adverse effects.

2) Procurement personnel lack professional knowledge and professional quality.

First of all, the purchasing personnel of H hotel are not well educated. They often only have junior college level and lack profound theoretical knowledge of procurement. They lack highly educated and high-quality management personnel. Excellent purchasers often want to objectively evaluate the quality of goods, the delivery cycle and the service of suppliers. International hotel procurement system often is the English version, easy to cause the consequences of operation is not standard, there are also possible owners' corporations, although work ability, work consciousness is not strong, the overall quality is low, but can do purchase the position of manager, colluding with the supplier malicious raise the purchasing cost, that may damage the interests of the hotel.

Secondly, the hotel staff mobility, post changes frequently. The purchasing department of H hotel used to have sufficient staff, but due to some external factors, the staff quit and changed jobs, so the purchasing department now has only 1 purchasing manager. The staff from other sister hotels who joined the task force only temporarily alleviated the situation of insufficient staff and could not solve the fundamental problem. Moreover, many interns are just trained or just familiar with the responsibilities of the post, so the internship period has arrived, leading to the work handover is not in place, the procurement manager holding multiple positions, it is easy to cause low procurement efficiency, a large number of work squeeze. In particular, due to the COVID-19 outbreak this year, H hotel has been in a state of loss, and the group has refused to hire people who want to work.

3) Insufficient supervision

H hotel staff is limited, purchasing manager 1 person responsible for purchasing task hotel, from the beginning of inquiry to the supplier of choice, the final hotel management did not inquire about too much details, simply ask, some even directly sign, bidding meeting also do not participate in, the whole process of basically all is by purchasing skill in operation, the process is not transparent, did not do it justice, and lack of outside supervision. H hotel, director of finance manager with purchasing cost, cost is the most powerful regulators in the procurement, dereliction of duty. If the cost of purchasing monitoring is lax, it will cause great loss to the hotel, the cost of work just form, although the group procurement policy of each month the food market survey should be determined by the kitchen staff, procurement staff joined in, the owner, and financial manager. However, the owner of H hotel never went to the market with its financial costs, or sent an intern who did not know anything to participate in market research. Moreover, the place of investigation was metro, Wal-Mart and other large supermarkets instead of the local wholesale market, which led to the failure to truly reflect the market price.

Although H hotel set up a more link in the purchase examination and approval, most of the daily purchasing is the kitchen order, then the executive chef after approval is completed, miscellaneous big purchase only need approval by the financial controller with the hotel manager. This leads to easy to suppliers and buyers, and cook black-box operation, harm the interests of the hotel. However, the performance of the overall procurement management system of the hotel can be improve as follows;

1) Strengthen the training of internal procurement personnel

The personnel department selects employees who adhere to principles, have a strong sense of responsibility and integrity to engage in purchasing work. Buyer, in addition, the hotel should also consider their professional level, the hotel complex procurement of goods variety, quality requirements for purchasing personnel is higher, as far as possible choose to identify strengths and weaknesses, understand the knowledge of the goods, to the procurement market and food and beverage market has deep experience, familiar with food raw material standard and the quality of personnel. Regularly train employees on group culture, strengthen legal concept and establish scientific reward and punishment management system.

2) Improve the construction of relevant procurement system

First of all, we should attach importance to the selection and rating of suppliers. When we cooperate with suppliers, we should conduct credit investigation and select honest and qualified suppliers. Secondly,

strengthen the supervision of bidding and contract signing in material procurement. Finally, update the quotation in the purchasing system.

3) Establish a scientific procurement budget and planning to control costs

The cost department shall formulate strict procurement budget planning, and jointly review the annual procurement budget, annual procurement plan, major bidding projects, supplier evaluation, procurement department work assessment and other matters with the CFO. This is consistent with Li (2011) who stated that the basic principles of enterprise management are to reduce procurement costs and standardize procurement processes to achieve effective cost management.

Finally, improvement is a constant process of refinement, continuous, and always ongoing. Hotel procurement management needs to be constantly improved according to The times, the market and customer demand, not blindly maintain the status quo. The supplier management of the hotel should be constantly strengthened, and the standardization of the procurement management of the hotel should be continuously carried out. The perfection of hotel procurement management plays a very important role in ensuring the supply of materials, saving the cost of use, accelerating the operation of funds, improving economic benefits and increasing the profits of the hotel. This finding is in line with Wang and Liu (2018) who believed that procurement management is the root of hotel management.

Conclusions

The aim of this study is to provide a more comprehensive perspective and understanding of hotel purchasing management by showing the relationship between the hotel's upstream suppliers and the hotel's internal operations, as well as the hotel's overall procurement management system. This study chooses qualitative research method and case study strategy by interviewing with 3 knowledgeable senior managers of H hotel on its supply chain management and the relationship between suppliers and hotel supply chain management. The findings indicate that the procurement staff of H hotel did not fully understand the information of suppliers, have no records of supplier registration system, lack of scientific sorting, which not only increased the purchasing colleague later work difficulty, also increases the risk. The purchasing personnel cannot see the historical cooperation record and have no reference to the past data, which may lead to improper selection of suppliers. Moreover, the certificates and qualifications of suppliers have not been updated in time, which may lead to cooperate with the supplier without verification. In the daily procurement operation process, there is a lack of standardized records of supplier delivery quality, delivery time and service level, and the performance evaluation of suppliers is not scientific, and the evaluation system is not perfect.

In addition, the results reveal that H hotel has a well-established internal procurement process, although there are some problems in the procurement management. These include the procurement plan is not scientific or rigorous, procurement personnel lack professional knowledge and professional quality, and insufficient supervision. Therefore, the H hotel can improve efficiency of the procurement management by establishing a direct strategic partnership with the supplier after determining the supplier for long-term cooperation. So that the procurement can obtain the guarantee in principle and the advantage in cost in the long-term cooperation. Furthermore, the H hotel may set up supplier performance management information system to establish a quantitative supplier behavior performance indicator as the measure of the follow-up cooperation with suppliers. These can decrease the risk of improper selection of suppliers. The overall procurement management system can be promoting by strengthening the training of internal procurement personnel, improving the construction of relevant procurement system, and formulating a scientific procurement budget and planning to control costs.

Although this paper refers to the theoretical research of many outstanding scholars at home and abroad, the research of this paper is based on existing theories and hotel interviews, and the relevant research of this paper is faced with some obstacles, problems and limitations. The first is the lack of public data on the subject of hotel purchasing management. Secondly, H hotel has just opened for a few years, which makes the task of studying the history of the hotel difficult. Due to the limitation of time, there are still some aspects that need to be further studied. Further research could focus more on other parts of procurement

management, such as the design of procurement processes and fraud reporting systems. Another suggestion is to evaluate the procurement management of the hotel according to the nature of the shareholders of the hotel, such as state-owned hotels, private hotels and foreign hotels. The different background of the shareholders will have different management style and standard degree.

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