Case Study:

Customized Consolidation with Just One Click Without Loss of Information

Fairmas

Increased efficiency in the company through standardization and automation

The Hotel Profile:

Fast growing hotel group with headquarters in Germany

Currently 80 hotels in 3 European countries.

Hotel size: 80 - 400 rooms

Portfolio: Franchise,
various brands/chains

Executive Summary

The introduction of the standardized planning and reporting system by FairPlanner ensures easy consolidation at group level, speeds up the flow of information and provides a transparent performance evaluation for individual entities. The easy access to current revenue and cost data at every level successfully forms the basis for " Think global, act local" and significantly shortens response times in operational management.

Highlights / The Solution

Digitalization in the Cloud: Data storage in the Cloud (Host in Europe)

Standardization: Introduction of a standardized chart of accounts with integrated management reporting

Automation: Data transfer via APIs

Central access and input control

The Challenge

- Due to the lack of standardized processes, consolidation at group level is very complex and is currently handled by manually managed Excel files.
- In principle, the high percentage of manual processing raises questions regarding the efficiency of the planning process and the requirements on data quality. From the group headquarters' point of view, the latent risk of (undetected) calculation and input errors increases the planning risk, the expenditure of personnel and time is too high and the communication with the hotels on site needs to be improved.
- Some of the hotels are tied to franchise requirements, so changes in IT (e.g. PMS) or reporting standards (e.g. market segmentation) are therefore strictly limited.
- In addition, on-site data availability and data access across all management levels, from the head of department to the CFO/CMO, is inadequate for prompt responses at the operational level and should be improved.
- A lack of transparency and long response times have a negative impact on the controlling function of strategic management decisions.
- Non-transparent and different levels of information affect motivation and cooperation.

The Solution

- Introduction of standardized planning and reporting chart of accounts based on customer definition and USALI.

- Automated data input from various hotel IT environments of individual hotel companies via integrated mapping tool.

- Structuring and alignment of reporting and planning processes for all operational and management levels in a transparent workflow.

Project Plan

List of requirements / Briefing

As an International hotel group with a mix of its own hotels and managed hotels, maximum flexibility is required. The various IT environments on site must be taken into account, but a standardization of the systems in use is not an option.

The system must be easy to expand. Since the company is growing rapidly, the inclusion of new hotels with potentially new additional third-party providers should be guaranteed.

Data consolidation and data access should be possible regardless of location and in parallel. The same applies to synchronized processing. Due to the large number of stakeholders, different competencies and areas of responsibility, a centralized rights management system should be established.

For the long-term success of the group, it is essential to enable the comparative evaluation of individual entities or regional clusters. National and regional differences should be bridged. This applies especially to the different hotel market segmentation. The hotels should continue to plan with their hotel market segments, and standardization should not take place until consolidation. The currency conversion option is mandatory.

The country-specific standards for payroll accounting, taxes and social benefits must be taken into account, and the detailed payroll planning must be transferred accordingly to the P&L lines.

If the pilot stage is successfully completed, the group-wide introduction should take place simultaneously and involve all management levels. The option of a language setting in the respective national language is desirable.

Hotel IT Infrastructure

PMS: Oracle, Suite8, Protel, Sihot

ERP: Sage, SUN, GrandBack

RMS: IDEAS, Duetto

Implementation in 3 steps:
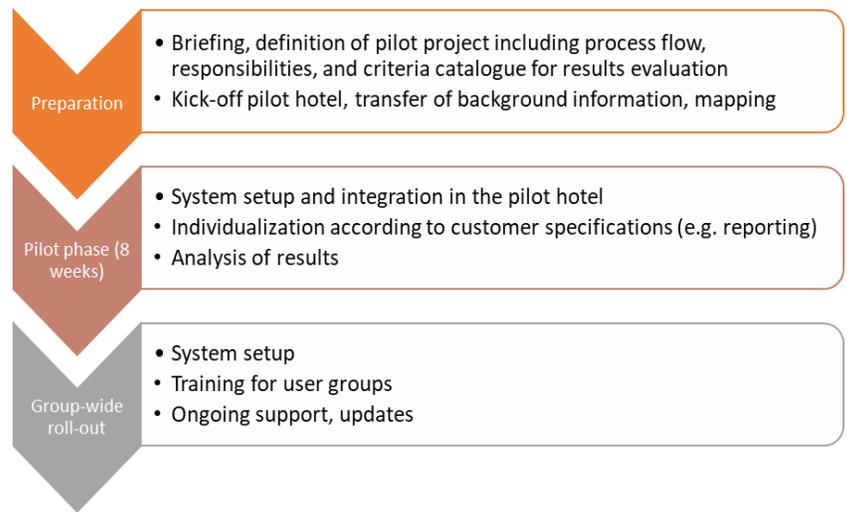**Pilot phase, review, group-wide roll-out**

Conclusion / Benefit

Easy consolidation with just one click

Standardised, transparent level of information

Transparent performance comparison and short response times

Preparation
- Briefing, definition of pilot project including process flow, responsibilities, and criteria catalogue for results evaluation
- Kick-off pilot hotel, transfer of background information, mapping

Pilot phase (8 weeks)
- System setup and integration in the pilot hotel
- Individualization according to customer specifications (e.g. reporting)
- Analysis of results

Group-wide roll-out
- System setup
- Training for user groups
- Ongoing support, updates

For the pilot phase, FairPlanner, FairChain, FairPayroll and PickupTracking modules were integrated for the group headquarters and the pilot hotel.

The planning and reporting chart of accounts was defined based on customer definition using USALI. At the same time, interfaces were created for all PMS systems available in the group (FOLS, Opera, Protel, Sihot) for the automatic daily import of On the Books.

In addition, the need for interfaces to the various revenue management systems and other third-party providers was determined and data exchange was prepared in order to create a planning environment with 360-degree view of all decision-relevant information.

FairPlanner already includes a high level of flexibility in market segmentation. The hotels can continue to plan their individual market segment, the transfer to the group standard takes place during consolidation.

The range of pre-installed reports was extended to include individual reports to better meet the special requirements of the owner.

Together with the customer, the 'Train-the-Trainer' concept was developed for the group-wide roll-out.

Results / Improvements

The pilot project was successfully completed and the group-wide roll-out followed without further delay.

On site, the seamless integration of new properties, regardless of the local system structure, was rated as very positive.

The centrally controlled planning and reporting workflow for the budget and forecast process ensures maximum adherence to schedules and guarantees that all parties involved have the same level of information. Overall, the planning process is much more efficient with the introduction of FairPlanner. The significantly reduced coordination and planning effort in particular improved the cooperation between the head office and local hotel management.

Thanks to the reliable availability of actual data on the 10th of each month, the rolling forecast on the 15th of each month is now part of the routine.

Automation has consistently improved data quality and data analysis. As a result, the planning risk has decreased.