



B.I. OR NOT TO B.I.? ASK YOURSELF THESE QUESTIONS...

Before you choose a technology solution that will affect your company for years to come, ask some tough questions of your Business Intelligence vendor.

By Colin Findley, Vice President, ProfitSword

June 17, 2009 – Business Intelligence (BI) has become a generic label for several different technologies within the hospitality industry. It's hard to know exactly what you should be doing with each technology and even more difficult to know if the vendor(s) you speak with can deliver on the promises they have made about their BI solution. BI may refer to revenue management, forecasting, budgeting, payroll analysis, market analysis, expense analysis, or any technology that deals with data. Therefore, it is vitally important to know what questions to ask the vendor in order to make sure you are getting what you need!

BI solutions may or may not have all of the information you require for your company or operation. Some may be able to provide in-depth reports to analyze your top line revenues – right down to market segments – but may not have any reports or solution to review your payroll or expense data. Others may slice and dice your payroll costs six ways from Sunday, but provide nothing related to your revenues. Some may be able to forecast/budget your revenues, but leave it up to you to create a payroll and expense forecast in an Excel worksheet of some kind.

You should also ask your vendor about the integration between their BI solution and the disparate systems within the hotel operating environments. Does their software integrate with the PMS, POS, payroll, sales, and accounting systems, Smith Travel Data? Remember, if manual data entry is required in order to provide the reports you need, there is a chance for data input and human error.

Another pitfall may be the reporting function itself. Some BI programs will create most of the reports you need at the corporate level to analyze your portfolio, but have little or nothing available to the individual properties and operations teams. Corporate may have all of the information they need, but the people on the ground at the properties are the ones making decisions affecting the bottom line. After all, shouldn't they have data and reports available to them so they can make educated decisions?

And finally, not all reporting is in real-time. Many BI solutions are built on platforms that require the database to "refresh" when changes are made. This can take from a few hours to overnight; leaving you without the information you need to make a critical decision until the next day. In addition, even if the "refresh" only takes a couple of hours, often the reports will not update until the next day, again, keeping you from making critical, timely decisions.

What to ask yourself?

- What type of information do I need – revenue analysis, expense analysis, payroll analysis, forecasts, budgets, etc?
Or – do I need it all?!
- Am I looking for a reporting tool for the corporate office, for the field, or both?
- Should this tool serve as an operational tool for the field?
- Do I need the information in real-time?
- In today's economy, can I spend a little more now to achieve a quicker ROI and greater profitability in the long run?
- Do my competitors already have an edge when it comes to BI and can I wait any longer?



What to ask a prospective vendor?

- What is your track record – how many companies/hotels currently use your BI solution?
- Are you willing to share your reference list of all clients with me?
- Does your solution provide real-time reporting?
- Is your solution designed specifically for the hospitality industry or adapted from another?
- Does your solution provide seamless integration between the various systems within the operating environment of our company (PMS, POS, payroll, sales, accounting systems – and Smith Travel data)?
- Do you have property specific reports as well as roll-up reports for corporate and executive level reporting?
- Can your solution provide operational efficiencies at the property level and can it be used as an operational management tool?
- Is there a charge for upgrades or new releases of the software?
- What are the upfront costs as well as the ongoing costs?

ProfitSword, based in Orlando, FL, has been providing comprehensive BI solutions to the hospitality industry for nearly 10 years. The ProfitSage software solution was developed by hospitality executives strictly for the hospitality industry and is used by several major hospitality management companies such as Sage Hospitality Resources, Crescent Hotels & Resorts, Hostmark Hospitality, Hersha Hospitality, PM Hospitality Solutions and many others.

Paul Bennie, Sr. Analyst for Hersha Hospitality, says, “ProfitSage makes systems more powerful and improves communication between all parties involved. ProfitSage should be the center or end point for most data activities related to operating a hotel. Everyone should turn to that system for the final answer to every question relating to business intelligence.”

Phil Wolf is the CFO for Crescent Hotels & Resorts based in Fairfax, VA, operating more than 50 hotels representing all service levels. He states, “ProfitSage was designed specifically for companies like Crescent, yet it was highly customized to accommodate our needs. The efficiencies created by ProfitSage at both the property and corporate level have really helped Crescent provide better services to all levels of our organization – especially our owners and partners. We can give them direct access to the ProfitSage system so they can view financial reports for their properties in real-time. In addition, the availability of information within ProfitSage has created a new level of accountability at the hotels, and we have raised the bar for performance at all levels.

Stop by booth #344 at HITEC in Anaheim to meet the ProfitSword team and learn more about the ProfitSage Business Intelligence solution.

About ProfitSword

Founded in 2001, ProfitSword is an innovator in business intelligence software for the hospitality industry. ProfitSage provides seamless integration of data and real-time information to enhance hotel managers’ decision-making process and improve profitability. ProfitSword is headquartered in Orlando, Florida, and serves more than 20 management companies representing more than 500 hotels. For additional information on the company and its customized products and software solutions, contact Colin Findley at (407) 909-8822 or go to www.profitsword.com.