

Oliver Companies Credits Rapid Growth to Well-Trained Employees, Effective Performance Management Tools

Owner operator with short hospitality history develops, acquires seven hotels in three years

October 2007 - Hiring good people and training them well is a key to success for Oliver Companies Inc., a fast-growing hotel operator based in Duluth, Minnesota. Chairman Kent Oliver and President/Chief Executive Officer Seth Oliver transitioned the company into the hotel industry from multi-family housing and residential development in 2000. Oliver Companies now operates 13 hotels and plans to open a new Country Inn and Suites in December in Cordele, Georgia.

“We’ve developed or acquired 10 midscale properties in the past five years,” said Carl D. Svendsen, vice president and chief financial officer at Oliver Companies. “We are also breaking ground on an Embassy Suites in Brooklyn Center, Minnesota, a suburb of Minneapolis.” The company manages multiple brands for separate ownership groups, which can make efficient financial reporting a challenge when a company is growing quickly. Oliver’s other brands include Hampton Inn, Holiday Inn Express, Days Inn, EconoLodge and two independents.

Hotel management by the numbers

“In 2004 Oliver Companies began getting its arms around the operation and developing standardized reporting processes to monitor the expanding portfolio,” Svendsen explained. “We were good at capturing cost accounting and performance information back then, but not so good at reporting it. The company implemented Aptech Computer Systems’ Profitvue® centralized accounting software system and Webvue® property-level accounting, which enabled us to shape the numbers into useful hotel management information prepared according to GAAP as we enlarged the operation.” Oliver has been successful with its ‘select service’ brands, but its focus is now on mid-scale where the flag can add value based on customer impression. “Our principle is that there is value in adding the flag, only when the flag adds value,” Svendsen added. “A strong brand can have a significant impact on a hotel’s bottom line.”

“We use Aptech’s Webvue Web-based accounting system at all our properties to collect and transmit performance data to our Profitvue central system at the corporate office,” he said. “We have templates that our properties use to input the specific operating data we want to capture. Aptech designed the input templates for us and we refined them for our own use.” The company uses Profitvue to generate financials for each property. Oliver also uses Profitvue to create financials and export them to PDFs that are e-mailed to the different ownership groups. It also exports Profitvue data to Excel for company-wide roll ups and review by executives.

Financial reporting software supports success

“We run our operations by the numbers,” said Svendsen, who uses Profitvue and Webvue as management tools. “We spend a lot of time studying our financials and looking for trends. There is nothing we can do about last night, so our focus is on today, tomorrow and next month,” he said. “I want to know what we can do to be more successful going forward.” Svendsen and his staff look for expenses that seem abnormal. If continental breakfast costs go up at one property, Svendsen searches for the reason. “By studying the financials, we can spot trends in costs and expenses and identify numbers that don’t look right.” And once he accomplishes that, Svendsen and his team apply what it has learned as a best practice across the Oliver organization.

“Our rolled up profit and loss statement is essential because it is a quick snapshot that I can compare to the same period last year and to budget,” Svendsen concluded. “I want to discover why a property is having a great month and identify how to extend that trend into the future for all our hotels. We use Aptech’s Profitvue to generate our financials and statistics to see the ‘truth,’ and then use it to develop a road map for successful management.”

About Oliver Companies, Inc.

Oliver Companies, Inc. is based out of Duluth, Minnesota where it originated nearly 40 years ago. Kent Oliver, chairman of the board, started out by following in his father’s footsteps as a brick layer. By age 17, Oliver developed his own business building basements and fireplaces. The construction business was appealing to Oliver, so he went on to building senior housing in many cities across Minnesota. From there, the business grew and expanded into what is now Oliver Companies, Inc. The primary focus of the company is to acquire and develop quality income-producing properties. With an emphasis on hotels, condominiums, and townhouses; Oliver Companies, Inc. owns and operates numerous real estate properties in Minnesota, Wisconsin, Iowa, Florida, Michigan, Georgia, and Arizona.

About Aptech Computer Systems

Aptech Computer Systems, Inc. based in Pittsburgh, Pennsylvania, leads the hospitality industry in leveraging change by valuing human relationships and applying technology to solve business problems for people.



Incorporated in 1970, Aptech is a financial and operations technology solutions and service company whose products include two state-of-the-art back office and business intelligence products: Profitvue, Execuvue. Over 2,500 users, including very large chains, multiple-property management companies and single site hotels, utilize Aptech solutions to understand their financial and operational data. By offering the hotel industry a solid resource of hospitality professionals, and through its proven ability to evolve technology offerings as the market dictates, Aptech is proud to have earned 100% customer loyalty. Execuvue and Profitvue are registered trademarks and MyExecuvue is registered to Aptech Computer Systems, Inc. All other trademarks are owned by their respective holders.

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