

# In The Beginning was the 3-Ring Binder: Hospitality Business Intelligence Shapes Operations for 10 Years

## **Spreadsheets to dashboards; evolution of BI from technology experiment to the must-have profitability tool**

February 27, 2008 - Information is king at today's numbers-driven hotel companies. Management practices are based on it, and financiers take it to the bank. Chain executives expect to have yesterday's property financials in hand before coffee and to use them to measure performance against budget and/or forecast by lunch. Owners glance at their Blackberries between putts on the back nine to check the value of their hotel investments. This is what business intelligence delivers in 2008 to 25 hotel companies with over 3,000 total properties. But it was not always this way.

Just ten years ago a company's financials were stored in 3-ring binders on the controller's credenza and business intelligence was something used only by Fortune 100 companies. Aptech Computer Systems has seen it all since 1998 when it installed the first Execuvue BI system at Interstate Hotel Corporation.

### **Business intelligence defined**

The term 'business intelligence' refers to a broad category of business management software applications and technologies for gathering, storing, comparing, analyzing and providing access to operating data that enables enterprise users to make better business decisions. In the past 10 years the price of modern BI has come down making it practical for even small hotel companies.

### **BI comes to hospitality**

Aptech has been a hospitality systems provider for 30 years, but until 1998 it focused on developing and supporting accounting software systems. "We were providing our Profitvue back office system for Interstate in 1998 when they asked for a better way to analyze operating data for their 50 properties," said Jill Wilder, vice president of Aptech Computer Systems, Inc. "They were using our financials and rekeying the numbers into Excel to analyze performance, and wanted a better process without the data entry."

Aptech partnered with established BI provider Cognos (COGN:Nasdaq) to adapt its powerful tool to Interstate's hospitality processes. "Cognos had the proven technology; we had the hospitality experience, so we married our strengths. After a serious customization program that adapted the BI tool to hospitality operations, we programmed it to import Interstate's data from their Profitvue back office. We branded our BI Execuvue® and Interstate rolled out the industry's first business intelligence system. That first implementation was perfect for delivering daily performance analysis to Interstate's managers for better business decisions based on real-time information."

The second BI implementation came soon after with Concord Hospitality, but Concord needed something completely different. "Where Interstate wanted its BI product in its property managers hands, Concord wanted to use Execuvue to provide centralized analysis," said Wilder. Concord's team uses BI to react quicker to operating costs trends and report consolidated performance metrics enterprise wide.

"Hospitality business intelligence went A-list when Starwood Hotels and Resorts implemented Execuvue for its 1999 portfolio of 210 properties. "Rex Warren, Starwood's Senior Vice President of Finance for North America, saw what

BI did for Interstate and thought it would be a valuable tool for his company,” explained Wilder. Starwood had a variety of flags including Westin, Sheraton, a couple of Marriott Hotels and a couple of Hilton Hotels in addition to several non-branded assets. Although Starwood had deployed SAP as their standard back office system, it was both expensive and time consuming to write ad-hoc data queries in SAP. Starwood deployed Profitvue to meet this need, and give the company the flexibility it needed to run ad hoc reporting against its entire portfolio at any time. For Starwood, Aptech enabled Execuvue to import data from a non-Aptech back office system and still deploy its analysis reporting . Aptech then realized the value of providing to their customers Smith Travel Research (STR) data in their reports. “When our customers watched Execuvue import Smith data and feed it into a drag-and-drop report format, they told us their managers could stop gathering data and get back to running their divisions,” Wilder said.

True BI systems consolidate information from financial and non-financial sources including:

- Multiple PMSes and back office systems
- Smith Travel Research
- Guest satisfaction scoring
- Payroll system and other systems.

The events of September 11 changed the way hotel companies did business as real estate investors bought into hospitality during the downturn. These new hotel owners were more focused on ROI and demanded daily financial performance reporting. “We were asked by many ownership groups to implement Execuvue BI because it provided daily financials in almost any format their partnership members required,” explained Wilder.

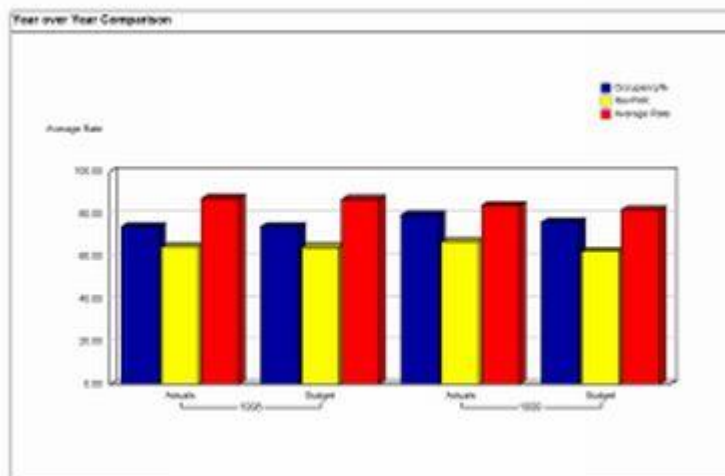
## Dashboards

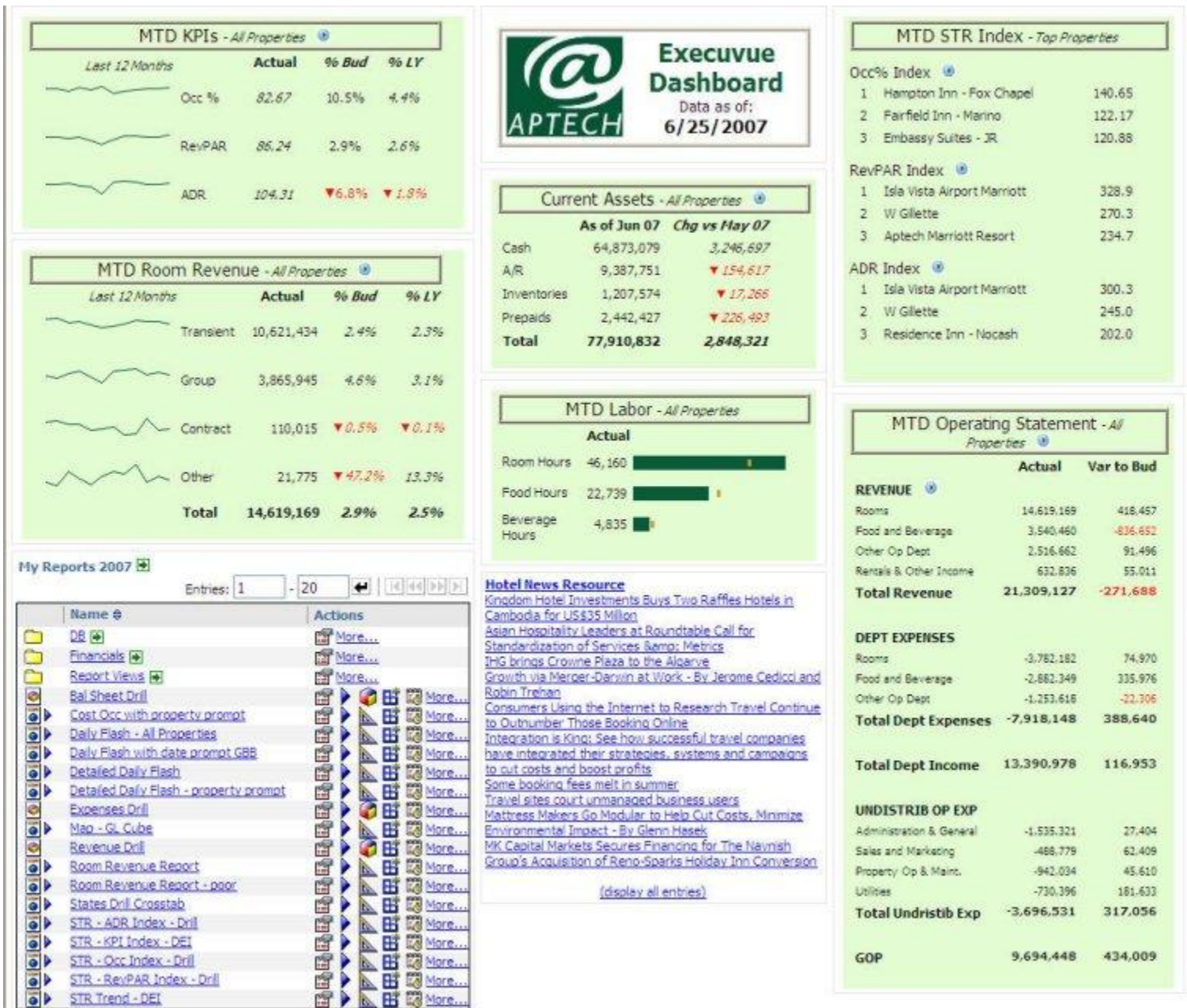
While flexible graphic reports were always an important part of BI, today the newest versions of Execuvue provide single-screen dashboards that are heads-up displays that communicate complex information more quickly for rapid response to changes in performance. While traditional reporting uses spreadsheets that require line-item searches for specific information, dashboards enable quicker, more confident decision making by translating numerical information from multiple corporate systems into easily understood, visually rich presentations.

Business intelligence has changed the way hotel companies do business,” said Aptech’s Jill Wilder. In 10 years we have gone from faxes and 10-keys to dashboards and daily emailed ownership reporting. We cannot wait to see what happens in the next 10 years.”

### Business Intelligence look-and-feel 10 years ago and current

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10 Years Ago





## 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 state-of-the-art back office, business intelligence and enterprise planning products: Profitvue, Execuvue®, Webvue® and Targetvue. Over 2,500 properties, 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.

