

How to Use Data to Increase Your Profitability in A Changing Business Environment

Leading Hotel Management Firm Uses BI Tools for Smart Revenue Management Decisions

By Cam Troutman, Vice President, Aptech Computer Systems

February 2010 – The changing dynamics in travel today are causing unpredictable peaks and valleys in occupancy and slimmer margins. Traditional hospitality industry forecasting methods based on previous years' performance are worthless in 2010. This year, having instant access to performance data that tracks and reports revenue and expenses each day is essential for operators to remain viable. Smart hotel management firms are using property performance data to run their hotels as profitably as possible – in spite of the constantly changing business environment.

H.I. Development Corporation operates six hotels from its Tampa headquarters, including the Howard Johnson Plaza by Wyndham, the Miami International Airport Hotel, and several Holiday Inn properties. The company relies on the Business Intelligence (BI) tools in Aptech's Execuvue® solution to manage its hotels by the numbers every day.

“The new travel environment has shortened our forecasting window and this means we are watching each property's revenues and expenses very closely,” said Victoria Schrock, director of accounting for H.I. Development Corporation. “We use Execuvue to generate reports on the performance numbers for each of our properties every morning. We track expenses per-occupied-room, per-available-room and review many other metrics so we can quickly see if a property is performing as planned. This enables us to take proactive steps to correct potential problems before they become trends. We also identify property teams who are doing a great job and tap them for best practices. Our managers have so much on their plates to ensure that our guests have a great experience. Utilizing a powerful, easy to use BI tool helps them run their hotels with accurate and relevant real-time data, while still providing personal, friendly service.”

Smart decisions when the rules keep changing

H.I. Development still builds budgets a full year out, but with Execuvue the company has a much clearer picture of daily revenue generation at each property so managers can keep a tight rein on spending. “The daily reports show us how much we really have to work with at each hotel,” said Schrock. “We use the data at our headquarters to centrally oversee our assets, but BI delivers its greatest value to property managers who are making minute-by-minute decisions on staffing, overtime, and other spending to keep margins where they need to be. At H.I. Development we also have the ability to customize our Execuvue reports internally, which allows us to adapt to changes in our business environment. Not having to rely on outside technical assistance for the creation of new data analysis makes our management style more proactive.”



*Cam Troutman, vice president
of Aptech Computer Systems*

Execuvue BI reports include:

- Daily and MTD sales, revenues, and expenses so H.I. Development can compare performance against budget for better business decisions
- A view of cost trends and shortages/overages for each property, so headquarters can quickly spot trouble areas or best practices to be applied to other properties regardless of brand or location

- A snapshot of daily comparative performance reports for all properties
- Data on performance compared to prior year and budget, as well as periodic comparisons of payroll to occupied rooms and revenues

Data-focused management culture

Execuvue's daily performance reporting is creating a new data-focused, people-driven management culture at H.I. Development. In 2010 when it is difficult to predict bookings even for the usually dependable special events such as the Daytona 500 weekend, a BI tool like Execuvue is critical to all decisions that impact operations and profitability. "Before, it was very difficult to measure our actual performance to our budget during the course of the month. It was impossible to tell if you were over budget, sometimes until the middle of the following month," said Schrock. "Execuvue takes the 'shooting-from-the-hip' decision making out of our management process. Now we are basing our business decisions on facts and data."

And the solution is green. "We used to fax revenue reports to and from our properties with lots of unmanageable paper involved; now most of our numbers are online," said Schrock. "Execuvue also provides a platform for integrating data from third-party systems like time and attendance and STR comp-set metrics. We are always looking at ways to add information from other systems to enhance the scope and value of our decision data. It's all about getting accurate, actionable information into our GMs' hands daily to drive our customer service, our marketing efforts, our processes and controls, and ultimately the value of each asset."



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®, and Webvue®. 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. Execuvue and Profitvue are registered trademarks of Aptech Computer Systems, Inc. All other trademarks are owned by their respective holders.

Contact:

Aptech Computer Systems
Cam Troutman, Vice President
135 Delta Drive
Pittsburgh, PA 15238
Phone: 800-245-0720 or (412) 963-7440
Email: vueinfo@aptech-inc.com
<http://www.aptech-inc.com>