



# The Search for the Perfect Resort System

Will We Ever Reach Shangri-La?

by Jon Inge

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The tantalizing search for the all-encompassing resort system has been going on for many years. We've caught glimpses of it as vendors have expanded their integrated systems to cover more functions and developed better integration with other products. However, resorts continue to push the goal further away as their operations become ever more complex.

Timeshares, condo ownership with revenue-sharing and membership clubs are now all common aspects of resort operations. Properties naturally seek to attract more guests by offering as many options as possible, and to spread their risks by appealing to diverse market segments. They place more emphasis on highly functional meeting spaces to attract more conference business to fill in seasonal gaps. These days they often also need the additional construction financing that a partial condominium operation or sales of on-property custom homes can provide, and they often include membership clubs for the owners to add an exclusive appeal. And Internet access to everything is a given.

Part of the challenge is the eternal need of sales and marketing departments to keep coming up with a new wrinkle, some unique approach or a combination

of features that will attract new guests, club members and residential owners — at least until it becomes an industry standard and something new is needed again. Over time many established multiuse resorts have built up the most amazing collections of rules and pricing options, reflecting the marketing promotions, package plans, condo sales contracts, membership discount schemes and so on used at each stage of its development. One might question why they complicate their lives so much by keeping all these in force, but they do, and resort systems need to manage them easily and flexibly.

These are just some of the factors that make developing the perfect resort system such an ongoing challenge. This article looks at their impact on each of the major systems components.

## PMS

PMS vendors have steadily expanded the resort aspects of their programs. All-in-one vendors such as Agilysys' Visual One, ResortSuite and PAR Springer-Miller's<sup>SMS</sup> Host continue to add new depth of functionality, and PMS specialists (MICROS' OPERA, Soft-Brands' Epitome, Northwind's Maestro and others) are using modern integration techniques to form highly effective partnerships with activities specialists such as OpenCourse, Jencess and others.

Packages are an increasingly popular way of booking resort vacations, wrapping many different activities from across the property into a single offering. Flexibility across different systems areas is key here, whether they're preconfigured by the property or built on the fly by guests booking over the Internet.

One aspect more frequently being requested is for package allowances to be pooled among different family or group members. This means, for example, that if the parents don't use their full breakfast allowance any unused amount would be available to add to their children's allowances.

Packages also need to cover the multitude of activities offered by third-party operators through the resort. These need to be integrated into the guest package as much as possible, often needing vouchers to be printed for the guests as proof of payment to the vendor. There must also be good availability control and management of payments to the vendors, referral fees, usage reconciliation and so on. Fortunately the Internet has made this easier, both in giving the resort access to the vendor's own booking system (such as Open Table for dining reservations) and in reconciling usage and billing.

There's an increased emphasis on using the Internet to book everything. Not only do travelers want to book their room or package online, they often also want to build their own combination of activities and make specific spa, tee-time, tour or dining reservations well before arrival. This is certainly encouraged by the properties, both to make sure that guests aren't disappointed by being unable to book after arrival due to heavy demand and to upsell them with additional activities before arrival.

This is the perfect time for such marketing approaches, of course, since the guest is already committed to coming to the resort and is less inclined to shop around for alternatives. A number of products are available

that actively search for reservations which lack activities and e-mail the guests with customized offers to encourage them to book. It continues after arrival, too; the ability to book activities through kiosks around the property or even through the guestroom TV is highly attractive to many guests.

Currently Web site activity booking is available principally from those vendors who manage all the activities natively within their PMS applications. In most other cases it still requires a greater degree of integration between the individual systems than is commonly available, and companies such as Nirvana Technology have sprung up to provide cross-platform alternatives.

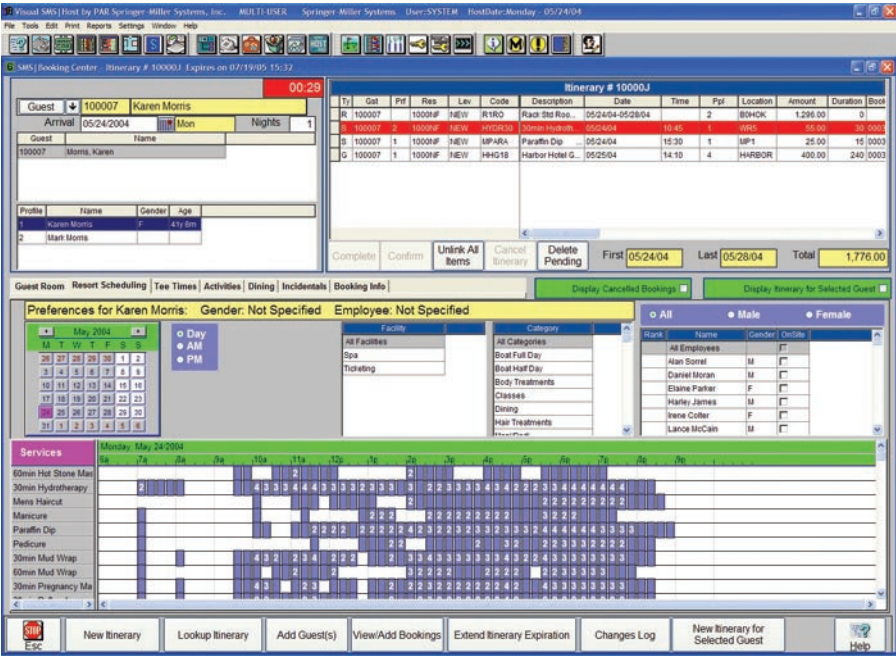
In addition to exchanging messages to make and track bookings, part of the challenge is the need for profile integration between the various systems. While it's a huge help for a reservationist to be able to access a spa system when booking a guest's stay, if the guest calls the dining room later to make an additional reservation there must be a way to ensure that this is added to the guest's original itinerary.

Key functionality therefore includes pass-

Typical of the flexibility of modern resort systems, this single booking center screen gives a user full access to a guest's preferences and history while making reservations for spa, golf, dining or other activities, all combined into a single itinerary. Copyright 2007 PAR Springer-Miller Systems, Inc. All rights reserved.

ing all activity bookings back to the PMS so that a single confirmation and itinerary can be sent to the guest. However, it's equally important for any change in guestroom booking dates (including cancellations) to

alert the user to the existence of activity bookings that may need to be changed. Automatic cancellation is not desired, as a guest delayed by a day may still wish (or need) to take advantage of a previously arranged spa appointment.



One of HTNG's first workgroup initiatives addressed this need for a single guest itinerary, and several vendors (PAR Springer-Miller's SpaSoft, TAC Reservation Assistant, OpenCourse Activity Suite and NxTV) have already certified their products as compliant with this new standard.

There are legitimate concerns over how far to take this, for example in ensuring that guests with health issues don't book certain spa treatments. However, these can usually be managed either through having the guest complete a health questionnaire before booking, or by treating bookings for the more rigorous therapies as requests, to be confirmed after a specialist has contacted the guest to discuss them.

One of the busiest areas in a resort is the concierge desk, and systems such as Go-Concierge and Gold Key's Concierge Assistant do a good job in helping the staff manage outside bookings and other guest requests. Much development activity is going on to provide greater integration for them with PMSs and with internal guest request rapid-response systems (e.g., HotSOS, HotelExpert and GuestWare), and this will result in more complete preference and profile information being available to resort staff at all guest contact points.

## Sales and Catering

For many years resorts have successfully looked to the conference and meetings market to fill gaps in their seasonal occu-

pancy, since their varied onsite activities are a considerable attraction compared with a city-center property. Three developments in sales and catering (S&C) systems are common to both environments, though as usual with more complex implications for resorts. These are the need for a complete view of a client company's total business value, the impact of ancillary revenue streams on revenue management, and the growing demand for online function room booking.

The first is quite complex, but it's important to know how much revenue can be attributed to a resort's relationship with each of its customers, whether corporate or individual. A good interface between PMS and S&C systems can link a company's conference expenditure to that generated by its staff traveling on separate business, but it also takes good profile management to correctly identify them when they also arrive as individuals on vacation with their families.

It will probably always take significant manual effort to identify an existing relationship at booking time, check third-party databases for possible corporate connections (usually only for higher-profile guests) and regularly monitor the guest profile database for possible duplications and merge them. This is all tedious but necessary activity; the more helpful PMSs make it simpler through flexible definition of which fields to use to identify potential matches.

Revenue management systems (RMSs) usually allow any property to estimate the

impact of ancillary revenue streams (such as meeting room revenue, audio-visual equipment rental and F&B) when evaluating the impact of a potential group booking. However, resorts also need to include estimates of how much additional revenue the attendees will spend on golf, spa, dining, tours, etc.

A couple of other revenue management tactics are especially relevant to resorts. One is the ability to block out minor services such as facials during periods of peak demand, to encourage the booking of more intensive and profitable services such as full body treatments. The other is the balancing of groups' demands for blocks of activity appointments against the need to keep some times open for regular (and high profile) resort guests, to maximize guest satisfaction as well as revenue.

There's still much work to be done on the effective integration of RMSs with S&C systems and resort PMSs. However, it's clear that resorts must track the use of all their facilities in as much detail as possible to generate the right data to maximize their productivity.

Internet booking of meeting room and conference facilities at a resort is even more liable than at city center sites to be limited to simple functions which are booked at short notice. There are just too many variables involved to allow more complex bookings without verification by the property. Nevertheless, the demand for online booking is definitely there and resort systems must be able to cater to it and to define appropriate limitations quickly and simply.

## Unexpected Benefits at the Horseshoe Resort

Data integration challenges can take many forms. Sometimes they're technical, with incompatible systems running on different databases and using different data definitions. Others can be geographical, with different areas of an operation spread over an area wide enough to create communications problems. The 1,600-acre Horseshoe Resort, an hour's drive north of Toronto, had both.

"We were running different PMS, F&B, ski lift ticketing, tee-time systems — just everything," said Susan Fleet, IT project manager. "Apart from basic POS and PBX/call accounting interfaces to the PMS, all were completely separate from each other, and most guests' charges had to be manually added to their folios each night. Given the spread-out nature of the resort — one golf clubhouse, for example, is a 5 km drive from the main resort — the managers would have to drop off their charge slips each evening, and sometimes they wouldn't make it in until the next day. By necessity, all nightly reports had to be done in Excel.

"Our systems upgrade was triggered by the need to replace the nine-year-old PMS, but we also wanted to add new functions such as a reservations call center. The other systems were younger — the

ticketing system was only two years old, and the F&B POS had been upgraded within the previous year — but the more we looked at the benefits of having a completely integrated system the more sense it made to replace everything and extend our network to link all the buildings directly."

The new system (from ResortSuite) has brought major improvements, and not just in data sharing, more timely and accurate charge posting, and better reporting. "Just consolidating credit card processing has had a major impact," said Fleet. "It used to take each person in each operational area at least 20 minutes each night to handle all their credit card charges; now we're done in about 10 minutes.

"Training and support are also much simpler on a single system. All the workstations are now the same, and since all software modules have the same look and feel, it's far easier for us to move staff and managers from area to area as needed since they're already familiar with the tools. Everyone has a much more complete knowledge of the resort and how each area supports the others.

"Integration has brought even wider benefits than expected — dramatic improvements in efficiency, smoother operations and better guest service."



## POS

Given that many resort guests will be staying on package plans, it's clearly a prime requirement that any POS system – F&B or retail – must be able to report room charges in enough detail to match the granularity of the packages set up in the PMS. This might seem obvious, but it still happens that, for example, golf packages are defined to include \$50 toward a guest's greens fees yet the pro shop POS system cannot differentiate them from equipment purchases. As a result, the guest's folio may incorrectly show a charge for greens fees and too low a charge for his purchases, though the latter is less likely to be challenged at checkout.

One common issue at resorts is that guests often dispute charges. Surprisingly it's often the more affluent guests who want to see a copy of the POS check before accepting a charge on their folio at checkout. In a club environment it's common for a member to want to make sure that each check is valid, given that several family members and their friends may have signing authority to the main account. It's thus a major help to the checkout staff if the PMS can look up the individual line item detail

directly on the POS check. If it also keeps an electronic copy of the POS check that can be printed and shown to the guest that's clearly even more useful.

Ideally, of course, this would be a copy of the signed check, but electronic signature capture is as tricky to get right at resort fine dining outlets as it is anywhere else. Until unobtrusive pressure pads can be incorporated into check presentation folders, a good compromise is for the property to scan each signed POS check and store them electronically. Automated systems such as Agilysys' DataMagine can quickly annotate each for rapid retrieval as required. It's also an advantage in direct bill and membership environments if copies of the POS checks (reduced in size to fit several on a page, as club systems often do) can be attached to the PMS folio or statement.

## Activities

Managing the activities that attract guests to a resort, of course, has grown in complexity along with their increased sophistication. The typical balancing act of finding a spa therapist qualified to provide



A great benefit of well-integrated systems is their ability to produce a single itinerary for a guest making reservations for several different activities during her stay. Being able to present complete details in an attractive format makes an excellent impression, whether as part of the reservation confirmation or when presented at checkin. *Illustration courtesy of ResortSuite.*

a desired treatment, available with a suitably equipped room at the time the guest requests, can now also involve multiple treatments at the same time (facial, pedicure, etc.) for singles or couples, as well as many possible sequences of consecutive treatments (shiatsu, body wrap, facial). Given the multiple possible combinations, a highly desirable but still not common system feature is to help re-allocate guests' bookings among other qualified therapists if one calls in sick.

In addition to individual guest activities, group classes for fitness or for golf/tennis pro instruction are common at resort locations. Consequently systems need to be able to track class availability, both for guest's ad hoc needs and as part of their package plans, as well as manage the more complex calculations for member discounts and staff gratuities. These latter are discussed in more detail below.

Group bookings are also more common at resorts, and add another layer of complexity. The systems need to be good at making multiple reservations quickly for various combinations of activities, of course, but managers also need to ensure that these don't completely block out availability for high-profile individual guests and members.

## Membership Clubs

As resorts set aside certain facilities for the exclusive use of club members, PMS companies have learned why several successful vendors focus only on club membership systems — it's a difficult area to do well. This is especially so in a mixed-use resort, where some club facilities are for members only, some can be used by resort guests under certain conditions, and members can charge fees from the general resort facilities to their accounts.

Account management can be complex, especially for multigenerational families who have been coming to a resort for many years. Individuals can join at different membership levels, each with different access rights and discount privileges. Families' multiple accounts need to be linked to a single master, each with its own charging characteristics and limits, such as dollar or location restrictions for children. Age-related restrictions need to be reviewed as the children grow, of course. If the primary account falls into arrears, all family accounts linked to it must also be flagged, and then re-opened when it's cleared. Many clubs impose minimum monthly F&B charges, which have to be tracked and shortages billed to members' accounts.

Although many clubs issue membership cards with photos, members don't always carry them. Consequently it's necessary for club systems to be able to pop up a member's photo instantly for verification of their identity. This is especially so in more open environments such as mixed-use resorts where access to the members-only areas is hard to enforce and membership status must be checked with the minimum of inconvenience. It's easy to claim to be a member's son, but it's also easy to verify if all members and their families are required to have photos in their profiles, and if all genuine guests of members are issued photo ID cards and required to carry them. Members' signatures can also be easily stored in their profile, and used to verify the signature on the POS check at an outlet.

Tracking members' guests also has its challenges. Naturally clubs want to encourage guests to experience the benefits of membership, and so maintain profiles on them as hot prospects. Equally, however, limits must be placed on their visits or the benefits of membership will be diluted. Club systems must therefore track how many times a specific guest has visited the club and who the sponsoring member is for each



## Pursuing Perfection at Pinehurst

Michael Schubach, vice president, information technology for Pinehurst LLC, has been a prominent searcher for the perfect resort system for many years, both in print and when speaking at industry conferences. As Pinehurst separated from former owner ClubCorp and so moved from a multiproperty environment to a single resort operation, how is the search for perfection going?

"I wouldn't say our systems have reached Nirvana yet," said Schubach, "but they've definitely evolved to being highly competent." As with many long-established operations, Pinehurst had evolved into a multivendor environment with different systems managing different areas of the operation. Although it settled on a resort-oriented PMS (Visual One) several years ago, other vendors' systems were still used for spa management, restaurant POS, club membership and financial accounting.

The rationale for replacing these systems comes from different priorities. Replacing the accounting and membership systems provided by former parent ClubCorp was obviously essential, while the financial system has little interaction with the PMS and was sourced from a different vendor, Pinehurst is adding Visual One's membership module. "This wasn't only for its tight integration with the PMS," said Schubach, "but functionally. It's noticeably ahead of where we were before. We'll also implement Visual One's spa module by year-end to replace the current system, since it offers far better integration."

Updating the PMS in this way brings quick returns. "We can just snap in a new module and are operational very quickly. There's a minimum of training since the new screens already look familiar and immediate operational benefits in terms of seamless data integration," Schubach said.

"While all the individual modules and systems we use are very functional and comprehensive, it would be hard to pinpoint where any of them are best of breed," he said. "Nevertheless, it is absolutely true that due to their level of integration the whole is significantly greater than the sum of the parts."

visit. Limits are also often imposed on activities, such as on the number of times a guest may play golf as well as on what days and times.

Customer relationship management (CRM) features are obviously critical for a membership operation. Members' preferences and interests must be easily tracked and filtered in detail, and regular communications tailored to individual members or groups with similar interests are increasingly

common. E-mail alerts can be sent to all staff to notify them of arriving VIPs, along with photos of their family members, and similarly to introduce new members when they join the club.

Some club operations are introducing social network functions online. For example, members can join a social roster which circulates details of who will be in residence on certain dates, their specific interests and their interest in social contact. A member calling in to confirm an arrival date can then conveniently find out which seven-handicap golfers are going to be on property during her stay. Other properties run bulletin boards for members, or classified ads for items for sale.

### Discounts and Gratuities

One area that's often a challenge to multiuse resort POS systems is the handling of gratuities and discounts. An automatic gratuity is often applied to all F&B and spa payments charged to members' accounts and is therefore taxable as a service charge. However, hotel guests' charges to their folios are exempt; their gratuities are optional and treated normally. The gratuities are often split amongst the various service staff involved, according to what can be very tortuous rules. The main percentage will go to the specific server for the transaction, but minor percentages are often allocated to the resort itself, to the bus staff, the hostess, to the sommelier if wine was served, to the bartender if cocktails were served, and so on.

Members receive different discount levels for different membership types, as do resort employees, at different levels for dif-

The screenshot displays a POS workstation interface for member/guest identification. It includes a photo of a woman, personal details like last name (ROY), first name (JULIE), title (SEN), and member ID (122567891). It also shows PMS status (FOL), arrival date (08/29/2006), room number (121A), departure date (09/01/2006), and various codes. A section for member comments lists a 'Peanut Allergy'. At the bottom, there's a grid for selecting POS guest numbers (1-12) and buttons for 'FOOD PREFERENCES', 'OPEN CHECK', and 'CHECK HISTORY'.

When well integrated, a POS workstation can quickly access member and guest information from their PMS profiles, including photograph, membership status, current stay details, notes on any allergies, food preferences and check history.

*Courtesy of Agilysys Inc.*

ferent employee ranks (employee/premier employee/executive). Further, these discounts are usually at different rates for F&B and retail purchases. Any automatic gratuities on member purchases are assessed after the discounts are applied.

It's not unheard of for club members to dine with guests who are staying at the resort in a casual outlet selling retail (logo wear) as well as F&B items, and for all to agree to split the check. It's clear that the POS system must be capable of sophisticated discount, gratuity and check-splitting functionality, and that it must be fast and intuitive for the server to use. Not all are.

### Why Not Use a Club System with the PMS?

Given that the specialized club systems often have a functional advantage over a typical PMS, why not implement one alongside the PMS to handle member accounts, billing and access rights? PMSSs have the advantage in overall management of the complete resort, since few club systems handle the intricacies of hotel accommodations, package plans, etc. For mixed-use resorts with a significant club operation, though, it's tempting to install both in parallel to achieve a best of breed solution. There are several challenges to this approach, however.

For example, resort property management and POS systems often have challenges in charging to members' accounts in a club system, either for members dining at the resort outlets or for their guests staying in the resort's rooms. Conversely, club systems often have trouble splitting charges between members and visiting



resort guests, and in handling a PMS package plan's needs for detailed charge identification. Overall, for the most satisfactory solution there needs to be further development in property management systems' membership modules, in club systems' guestroom and folio management, and/or in the cooperation between the vendors to complement rather than compete with each other.

### Condominiums/Residences

It used to be that setting aside a block of resort rooms for condominium ownership or selling houses around a resort's golf course was primarily intended to attract guests who wanted to have their own private space in a beautiful location, while still being able to take full advantage of all the facilities of a resort. More recently, though, it's become so expensive to build any up-market property — hotel or resort — that the construction costs cannot be recovered through room rates alone, which would have to be set far too high.

Consequently it's almost a given that all new luxury developments need to include some units with individual ownership to bring in additional funds for construction of the facilities. Modern resort systems must be able to manage these owned units (and their housekeeping and maintenance service fees), whether individual owner-occupied houses or condominiums.

Many owners allow the resort to rent their units to transient guests when they're not using them, and this brings in a whole new set of variables. The resort usually splits the rental revenue from each unit with its owner(s), after deducting management and service fees and all or a percentage of travel agent and credit card payment commissions. In some states, however, the revenue from units of similar type (e.g., one-bedroom apartments) can be pooled before distribution. The formula involved in this can be highly complex, including factors such as a percentage of the total pool revenue plus a percentage of income after expenses, modified by the quality and current condition of the unit, or the price originally paid by the owner, and perhaps with guaranteed minimum income for each owner. Every resort has different rules, and vendors must be prepared to customize their systems significantly for each new customer.

Another important factor is rotation, the need for the system to decide which of several similar units will be presented for rental next to ensure that all are rented equally often and



## Providing Flexible Control at Pronghorn

Private clubs provide a wide range of personal, high-touch services, but there are limits to what they should expect to achieve with personal, high-touch - i.e. manual - management systems. When the Pronghorn Club opened in Bend, Ore., it started out with manual systems to manage its membership, golf, retail and F&B POS operations.

As it grew and began to add residential units and fractional ownership options, however, it quickly became apparent that a more powerful and flexible approach was needed. A single, integrated solution was acquired (from PAR Springer-Miller Systems) and rapidly proved its worth.

"We pride ourselves on providing very high levels of service," said Karen Morris, director of operations, "but as with most other club operations, we have a large number of unique situations and personal exceptions to deal with. This requires a very flexible, detailed system to manage it all."

For example, members with fractional-ownership units can put their units and time slots into a pool for rental to transient guests, as is quite common. While the management and revenue distribution factors for this are as complex as at any other club, at Pronghorn membership privileges only apply while in residence. Since only members can play golf, this reverses the usual order of club operations in that a residential reservation must be made before a tee time can be booked.

"It's so important to be able to track personal preferences and privileges in detail throughout the property," said Morris. "One particular market segment has a high percentage of members with known food allergies, and it's essential that the F&B outlets have the means to check that. And there's so much variation in individual membership agreements; one golf member will have a completely standard contract, while another playing with him may, for whatever reason, be entitled to free golf cart usage for his first five years."

"Our members increasingly want to book all aspects of their visit through our Web site, not to mention accessing their account statements and profile details. Our system's high level of integration and flexible personalization let our personal service standards shine through even the distancing effects of the Internet."

generate similar revenue. This is straightforward for a new property, using parameters such as the room-nights occupied or revenue generated by each unit over the equalization period (last month, quarter, six months, etc.). However, it becomes more

complex when a unit is sold during a qualifying period. At that point the unit needs to be assigned a rotation position that's fair to all in the group, instead of automatically moving to the top because it has generated zero income for the new owner.

Some units have multiple owners; some owners have multiple units. All fee and revenue distribution parameters must be catered for accordingly, fairly and accurately. Tax considerations also come into play. Since the resort is collecting revenue on behalf of the owners it must account for the tax associated with that income, and file 1099 (or, for overseas owners, 1042) forms to report it. Further, for any owner without a tax ID on file the tax must be withheld from revenue payments and remitted to the IRS directly.

PMS profiles need to indicate to reservations agents if a caller is an owner and if so of which units. Owners often have different parameters applied to their stay (e.g., for housekeeping schedules) or may have limits on the number of nights their contract permits them to occupy their own unit in a given period. This is another area where the advantages of a completely integrated system are clear. Trying to juggle bookings between an owner-management system and a PMS becomes very labor intensive and error-prone.

As in other systems areas, providing owners with Internet access to their statements is becoming an expected function, preferably with drill-down to the individual POS checks supporting statement charges. It's also expected that they'll be able to update their personal profiles online and book their own units for personal use. However, resorts typically resist letting owners see how many future reservations are on the books for their unit to avoid arguments over equal treatment.

Detailed management functions and flexible reporting are clearly essential in this environment. For example, an owner may not wish to rent her unit to specific market segments (e.g., no tour groups) or guest types (no children under 18, maximum occupancy of four people, etc.), but the system must then be able to report back the revenue opportunities the owner has lost due to these restrictions. Similarly, when a monthly owner-occupation housekeeping fee is divided among the multiple owners of a single unit, it may need to be re-assigned instead to only the specific owner in occupation during the month.

Another challenge to many systems is the management of work orders for ad hoc repairs to individual units. Most PMSs do at least track these to see how long they've been open and to which department they've been assigned. More usefully, some also record the hourly labor, rates

and materials used to complete it, allow for any management or other fees and charge the resulting total directly to the owner's account. In a completely integrated operation it would also trigger a notice to the accounts payable system to pay a third-party contractor if one was involved, but very few systems have reached that level.

### Gift cards

One other factor that's become very important is the ability to handle gift cards and certificates. These are surprisingly popular as gift items, not just for guestroom bookings but for any activity at the resort – or for predefined allowances toward specific activities such as spa treatments. Clearly it's important for all POS systems across the property to accept them for payment, with access back to the central database to check the remaining balance and restrictions on the card.

It's also more common for guests to

want to purchase them online. In fact, resort Web sites are becoming more like retail operations where any visitor can purchase gift cards and retail items such as logo wear or spa products. They're not just for reservations any more.

### Summary

It's clear that resort management is only going to become more complex over time, and the benefits of a completely integrated operation will become ever more apparent. Great strides are being made by systems vendors in making their systems increasingly sophisticated and developing more powerful integration between their products. But given the equal ingenuity of resort developers and marketers, I suspect they'll be chasing a moving target for some time.

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