Sharpen Your Saw: How To Move From Reporting to Analysis To Performance
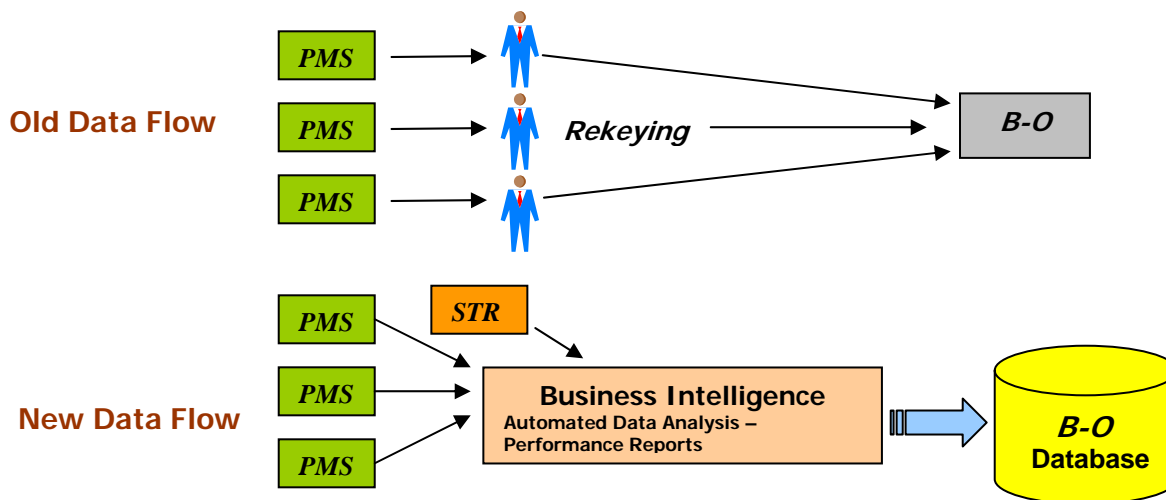
The most important lesson our industry learned during the past three years is that profitability is job one, and that it takes timely, accurate operating data to make sound business decisions. Owners (profit-focused real estate investors) are demanding information on asset performance every day. For hotel companies, the growing challenge is how to provide it on time in an accurate, standardized format.

The problem is that separate proprietary data sources often force hotel companies to patch information together like a financial jigsaw puzzle to get a realistic, standardized picture of their properties' performance. This takes time. Because of incompatible data formats, companies rarely have consolidated financials prepared until weeks after their month-end close, and this process rarely provides for inclusion of Smith Travel comp-set comparisons essential to validate property performance. Our task is to find ways to access disparate cost and revenue structures and move from data to action to better performance - and do it faster.

Innkeepers Hospitality Flips Data Flow For Quick Action
Innkeepers Hospitality (IH) is a perfect real-world example of the industry's data problem and one way to overcome it.   IH is a Florida-based company operating 63 properties that are mostly Marriott, Holiday Inn, and Hilton brands, each flag with a different proprietary front office system.   At one time their combined incoming property reporting traffic exceeded an overwhelming 900 emails daily. IH's data collection process left them little time to analyze the information. Their solution was to install an enterprise accounting system to combine all property information centrally for faster consolidated reporting and join it to a hospitality business intelligence application. The business intelligence system eliminates the re-keying chore, and supplies operating data in a format that allows IH's executives to view daily flash reports of raw operating information before it is posted to the back office system.

Innkeepers wanted to review their property performance data fast, before – not after - it was processed by the accounting system. The reason for this unusual data strategy was that their business intelligence (BI) system automated data collection from IH's properties and was able to generate concise flexible operational analysis reports. Additionally, the BI system imported Smith Travel daily comp-set DaySTAR information for all its markets, giving managers a clear day-by-day picture of each hotel's performance compared to other nearby properties.

Old Data Flow

PMS PMS PMS → Rekeying → B-O

New Data Flow

PMS PMS PMS → STR → Business Intelligence (Automated Data Analysis – Performance Reports) → B-O Database

Mark Lommano, President of Smith Travel Research, is familiar with the travel industry's data problem. He recently said, "When STR sends operators competitive occupancies and rates for their markets it is very difficult for them to compare our numbers with their own property's statistics without a great deal of work. Smith Travel is seeing progress, however. Vendors are starting to provide performance report cards like in school, with comp-set grades for all a property's different operating areas, such as expenses, occupancy, and rates, on one page for instant comparison."

Dolce International Uses Consolidated Data, Consistent Reporting to Chart Growth Plans
Consolidating data in one place is a beginning; the next step is establishing a consistent reporting structure. Often, diverse portfolios of properties have different charts of accounts and reporting formats that force corporate executives to reconcile and assemble spreadsheets manually.   Dolce International overcame this issue by adopting a new reporting process that channels information from its 22 properties nightly to a centralized database so all executives can see the same data in the same format. By centralizing their data Dolce reduces their consolidated reporting rollup to two days and frees executives to spend more time on thinking and creating proactive strategies.
 When data collection is automated and reporting is standardized, operators devote more time to analysis and action. As an industry, this kind of streamlined data gathering and standardized reporting is the challenge, the goal, and the reward.

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