Technology, your flexible friend

HOSPA CEO Carl Weldon reports on the new breed of nimble companies working in The Cloud

recently attended a very interesting event with a very interesting mixture of hospitality consultants from (mainly) the US and around the world (Australia). What made this event interesting was the variety of discussions around technology and the myriad products on offer.

The consultants concerned were not advisors to large multi-national corporates who would otherwise have their own resources – their customers were small to medium size businesses without the capacity to review, decide and implement major technology systems and change.

The clear message from this event was that working 'in The Cloud' or using SaaS (Software as a Service) is becoming key for a number of reasons:

- Remove hardware as an issue

- Integration between disparate or connecting systems

- Standardisation of screen layouts and operation

- Ease of use of upgrades

The above have long been listed as the obvious reasons for 'going into the Cloud' or 'above property'. But a few new aspects or areas became apparent to me listening to the discussions:

Pricing: The problem is that the industry has disparate and varying ownership. Some want to pay Capex for their new systems (to be paid for by owners in management contracts) and some prefer the original SaaS monthly cost. Vendors have now adapted to this and can vary the pricing models depending on the customers and their needs. Interestingly some IP Telephony companies blazed a trail in this area and it looks like this is becoming more widely available now which has to be good news for technology investment in the industry – I think…

Business Intelligence (BI)/Big data at reasonable cost:
Looking at the newer recent systems developments many of them have a similar architecture and indeed a BI capability in the background due to their recent development and where the systems and data actually 'sit'. As a result there is the opportunity to have a number of these systems (say Revenue Management, PMS, EPOS and Finance) all share a similar data platform without the need for servers and expensive BI or OLAP Software. I believe that this could now mean that hospitality companies can access their own Big Data – or 'Insights through your data' at a reasonable cost.

I believe that this now starts to answer the question of 'do we invest in best-of-breed systems or an integrated suite?". I would suggest that if there is BI to be had as a side benefit to this question then it makes this decision that much clearer. The industry 'suffers' from those businesses that manage and deal with data much better than we do (OTAs). Perhaps the way to help deal with this is coming towards us now?

The area of standards also piqued my interest in these discussions.

The finance community is currently wrestling with the new standard nine years since the last change in 2006. The new

11th Edition of the USALI (see our Events page for an excellent meeting and set of presenters on this topic on 19th May) is challenging every finance team and especially those with a management contract that says words to the effect of "the operator agrees to deliver the Accounts in accordance with the USALI". The Cloud systems enable a much quicker way to change and deploy a new Accounting System (which Vendors can pre-configure) or adapt and change the appropriate Chart of Accounts. The last USALI came out in 2006 with most companies still managing their own servers and systems – I believe the Cloud-based systems (with BI in the background of course) should make it a better update for the industry and in the future. Perhaps even more regular updates and a better, electronically-delivered USALI.

This kind of angle must surely help in areas of Standard Pricing listing (PMS, RM) – Menu information and data (Calories, Allergies) and in-room billing (PMS).

Finally – based on a quote I recently heard that "Hospitality is now adopting more generally accepted technology standards" – I do think that Cloud-based (BI/data integrated systems) can only be good for an industry that has always thought itself 'a bit different' – which has perhaps managed to slow down our technology advance - until now.

But what do you think? Please contact at us via email, Twitter, LinkedIn or even a letter, we'd love to know your thoughts.