

## ***Edge Technology for Hospitality***

### **Tech Influence**

***The effectiveness of any business strategy is becoming increasingly dependent on technological innovations, says Jacob K I***

Technological advancements are a key force driving growth in the hospitality industry. Nearly every hotel, big or small, harnesses technology to manage its front office, point of sale, accounts receivables, telephone management, financial planning, day-to-day operational management and more. Most hospitality properties constantly try to improve the quality of their service by investing in technology as the benefits far outweigh the costs. Thus, it is arguably necessary for the hospitality industry to adopt a structured approach and develop a technology strategy which can decrease costs, increase revenue, improve employee performance and enhance guest satisfaction.



#### **How Does a Hotel Determine its Technology Strategy?**

A technology strategy is important to a hotel as it helps streamline processes, identify new business opportunities, improve decision making and grow the business. When a property develops a technology strategy it is important to establish a set of easily understandable principles to pave the way for consistent decision making. These principles should focus on consistency, reliability and ease of maintenance. For example, if your hotel wants to ensure data consistency, the principle should be to have a single source of data. This set of principles should be short and easily understood by both the IT team (technical user) and hotel representatives (non-technical user). These principles make decision making easier for managers and when aligned with general business strategy, can produce measurable results.

#### **How do Hotels Benefit from a Technology Strategy?**

Traditionally, business strategy in the hospitality industry was formulated by analysts, and IT took decisions based on these. More recently however, technology is able to provide increasing business

value and competitive advantage, and has become a crucial tool for formulating strategy.

According to Forrester, organizations that align their business strategy with their technology strategy experience better results than the traditional approach. Thus technology has an opportunity to influence business agenda in the hospitality industry.

## **How to develop a Technology Strategy?**

The key to developing a good technology strategy in the hospitality industry is to have a step-by-step plan.

- **Benchmark your current technology scenario**

This involves evaluating your organization's current technology status and contextualizing it in light of your growth plan. This can be a long and detailed process but well worth the task as it provides a clear execution policy. It may make sense to select a committee consisting of IT and management who will work through this process and provide the technology strategy more focus.

- **Software Application and Systems Review**

The software application and systems review helps the hotel audit the software in use and determine whether it is being optimally utilized or not, how do to so and if necessary begin looking for new software vendors who align with your technology strategy and business plan. It would be relevant to also determine if your staff is adequately trained to use your applications and/ or consider upgrading their skills.

- **Review the gaps between Strategic Goals and Current Operations**

Now that you have reviewed existing IT staff, budget, software applications and determined whether they meet the needs of your hotel, the next step is to identify the gaps between the current scenario and where you would like to be in terms of leveraging technology. The gap may be in manpower skill, budget or technology. Identifying the gap allows a hotel to address it through the technology strategy.

- **Short Term and Long Term Project Plans**

After a thorough gap analysis, the next step is to develop an effective short term and long term plan with timeframes, with a clear understanding of return on investment. Your strategy plan can be quarterly, half yearly and annual, with periodic reviews in between to take stock of implementation.

Now that your hotel has a clear technology strategy, ensure that it is an integral part of your business strategy and is constantly updated when there is a change in business priorities. You will undoubtedly have barriers to investing in technology, but if these are evaluated for the long-term benefits, overall



business efficiency can be achieved. It is nearly impossible for any hotel or restaurant owner to ignore technology and even though alternative strategies are possible to achieve business goals for the hospitality industry, the effectiveness of any business strategy is becoming increasingly dependent on technological innovation.

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