

Efficiencies from technology ‘crucial’

Now was the time when efficiencies from technology become “crucial, particular when you possibly have a leaner workforce or one taking on multiple roles”, according to HOSPA CEO Jane Pendlebury.

Improved technology was likely to drive leaner operations, after back-office functions were seen to be lagging behind customer-facing products.

In a webinar hosted by HOSPA, Paul Fitzgerald, CEO, iNUA Partnership, said: “We’re strong disciples of lean thinking and being lean and we’re pushing hard to drive to competitive advantage and leverage the scale of having nine hotels within the group.

“We implemented lean across all the lines; across procurement and HR, revenue management, reservations, finance and digital marketing. The first theme underpinning that is consistency across all hotels; all hotels will have the same reservations platform, all the hotels will have the same spa management software and use the same Epos and PMS systems.

“The second staging post is integrating the back ends out of locally and bring that into a shared service and that’s where we believe the real value add will come. We’ve really broadened the scope. We were using very reactionary spreadsheets, with lots of errors within the spreadsheets, no business intelligence culture within the business, no use of dashboard reporting. There was a lot of duplication of effort.

“As businesses move into the new normal you need to bring lean into these processes. Then you can interact with guests and improve the guest experience.”

Peter Gibson, finance director, Hastings Hotels agreed on the improved service point, adding: “It’s part of a broader strategy, it’s not going much into our front-of-house activities at this stage, although I expect it to free up a lot of our staff to be able to spend more time on guest-facing activities.

“I started with business a year ago and it became obvious that the systems were quite outdated. They worked well, but were very manual, administrative tasks - inputting data into spreadsheets and critically, none of it was compliant with the making-tax-digital regulations. The compliance aspect was a key driver, but even putting that to one side there was lots of functionality that we were missing out on.

“It’s all areas of the back office starting with our core finance platform and extending to purchasing and procurement, HR, recruitment, training, staff scheduling and pay. All the functions that go on in the background to ensure the smooth running of our hotels.”

Speaking on the side of the technology, Chris Stock, managing director, Percipient, said: “What we started to see about a year to 18 months ago was the industry investing in slick customer-facing technologies, but they were left with creaking back-office technology, which was taking time and was inefficient. We started to see a lot more adoption, particularly cloud, which led to a lot more efficiency in finance. It helps a lot more on the decision-making side of things and takes out manual errors. You focus a lot more on data analysis rather than data input, which helps break down silos by giving easy access to information.”

Mark Jelley, director, Avenue9 Solutions, added: “It’s been a move towards a more paperless environment and self service for guests and staff - the ability of guests to look after their profile online, mobile checkin, ordering at the table - it’s all come to relevance since March, since Covid.

“We are a retailer - retailers and have been doing this for years, why hasn’t hospitality? Information is still required, but with less people to do it and on the same timeline - it has to be automated and by automating it you also get one version of the truth and no spreadsheet error. For a number of our customers, you can expand the way you do things without increasing headcount. By making the technology better you don’t have to put another head in.”

When asked whether technology could manage future lockdowns, Jelley said: “The chancellor changed the VAT rate, to a date and time and for a lot of legacy systems that was a nightmare. The global vendors need to get cute about how we can make global changes without having to ring for support and get charged for it. That is abhorrent. Flexibility needs to be put into these systems,

“People need to have a business continuation plan and business response plans and this has highlighted the fact that a lot of businesses don’t have those. You need to have a plan of action from invocation to coming out of it.”

Pendlebury raised the fear that “technology frees you up, but it means that managers are also stuck behind screens”. To which the response was largely that it’s less the technology and more that if it’s the right technology, delivering the right data, rather than the previous slew, it should not be too much in the way of shock and awe.

Fitzgerald said: “A lot of screen time is now at head office, what we want from those at property level is for people to build strategy and deal with the day-to-day challenges as they can and deal with the guests as they come through the door of the hotel. That culture change is critical which frees up time for the team and for the guest.”