

# HMA

Hospitality  
Management  
Advisory



**Information  
Technology  
matters**

INFORMATION TECHNOLOGY MATTERS  
PRESENTED TO

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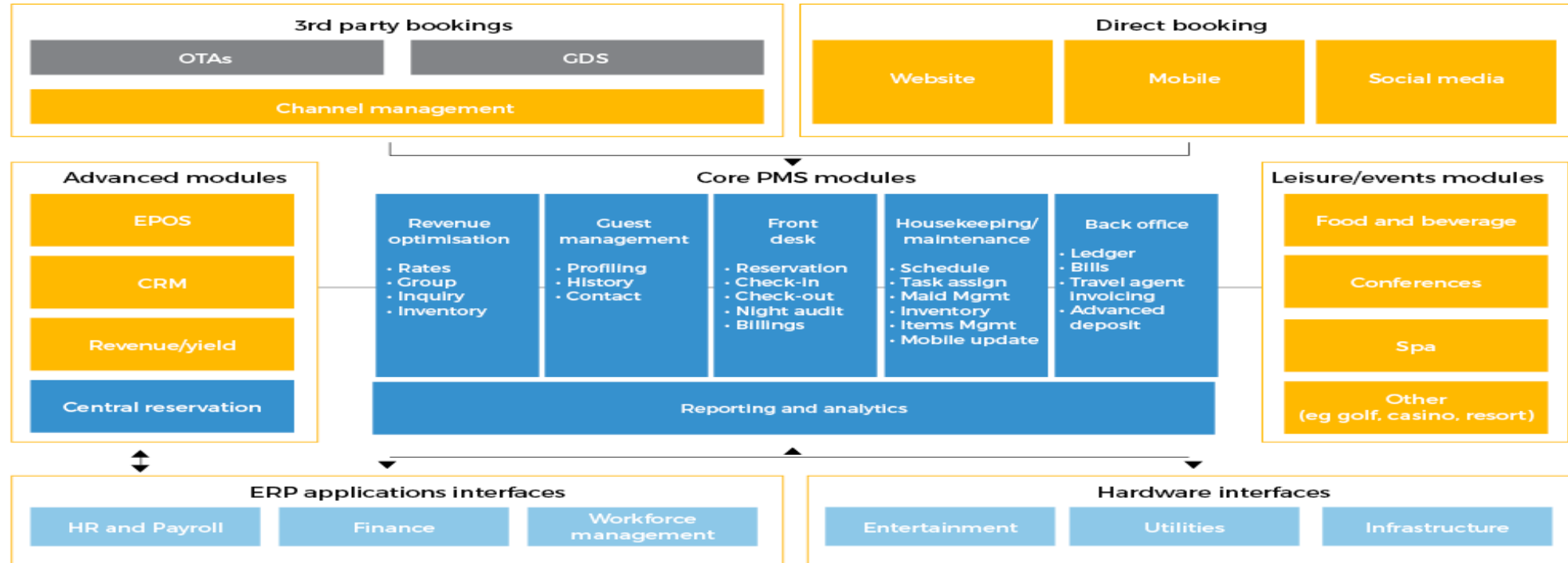
# INTRODUCTION

- Much has changed from the days of Whitney racks and electro-mechanical adding machines.
- Some voices say the hospitality industry has been somewhat slow in adopting technology and advanced systems.
- Legacy systems were frequently sourced from, and customised by, Operators .
- Systems were implemented on a functional silo basis. Many could not ‘talk’ to each other.
- Operator’s in-house technical expertise was limited.
- Due to increasing sophistication, tendency to now outsource and shift costs down to hotel level (and the Owner).
- Costs are increasing, now typically over 2% of revenue for the IT department, however further IT related costs are also spread across Rooms, F&B, A&G, Sales and Marketing etc.
- The trend of increasing cost for adopting new systems and technology will continue – however the Owner must validate the proposed benefits in advance and subsequently confirm that actually attained.
- There are costs associated with being a member of a club (Brand). Question of where the majority of benefit accrues remains a topic of discussion.

# SELECTING INFORMATION TECHNOLOGY

- Define goals for adoption or problem to be solved and how achievement will be measured.
- Using a centralised solution provider may be initially more expensive however should come with better cross system connectivity and improved support and service.
- Having a tried and tested vendor relationship is important.
- Keep the infra-structure simple but effective.
- Ensure that integrated to legacy platforms and that both way data transfer is seamless.
- Focus on it being user friendly and easy to implement.
- The more the features, the greater the complexity, the greater the risks on installation, training and ongoing operations.
- Properly road test the preferred system before selected and see in live operation.
- No system will be 100% perfect however a number will be between 70% to 90%. Costs of customisation can be expensive.

# POTENTIAL INFRASTRUCTURE MOVING FORWARD



- Modules from PMS provider
- Potentially provided by PMS provider or a 3rd party
- Provided by 3rd party
- Interfaces typically developed by PMS provider

# CHECK IN OF THE FUTURE?



Front Desk agent, using real time translation headphones with facial recognition glasses, accesses guests' data including:

- personal information including age, nationality, ID data, linguistic skills and preferences
- current and previous travel and consumption data
- personalised room layouts and guest preferred amenities
- 'live' medical data including guest's current stress levels.

This is a data protection minefield.

# CYBER SECURITY

In the period 2010 – 2015, there were 8 reported hotel group data breaches impacting 11.4 million guest records. In the period 2016 – 2020, there were 21 reported breaches impacting 1.1 billion records. 6 of the hotel companies in the original 8 were also in the list of 21 for the subsequent period. Fines have now been levied on the Owner as well as the Operator of a hotel where singly identified. Who is responsible for your PCI DSS compliance?

1. Keep your system software updated.
2. Password protection is good, implementation of Multi-factor authorization (MFA) is better.
3. Devices should be limited to company approved ones and use of public networks should be avoided.
4. Utilise Virtual Private Networks (VPN) with MFA. It's more secure.
5. Share spam and 'phishing' messages so there is a wide awareness.
6. Video conferencing measures – use passwords and centrally manage call settings.
7. Cloud file storage – manage file sharing tools and use encrypted files.
8. Company policies should be regularly tested to ensure in use. Help employees with user tips and 'how to' guides.

# IMAGINATIVE SOME OF THE MORE ~~INNOVATIVE~~ PROPOSALS

- Robots. Novel however effectiveness may be limited.
- Totally 'smart' rooms. Problem is no-one has figured out how to justify and achieve a meaningful return.
- Immunity passport software integrated with your CRM software.
- 'Hands –free' guest environment utilising facial recognition and AI technology
- 'Antimicrobial' room key that inhibits '99.9%' of germ and virus transmission.
- Use of augmented reality settings.
- Adopting facial recognition functionality for guest service purposes.
- Real time language translation with hand held devices.
- In-room personal voice assistants to promote on selling.



# DEVELOPMENTS MOVING FORWARD?

- Acceleration of the 'Internet of Things' as a response to Covid-19 protection measures.
- A mobile-first approach will be well placed to optimise benefits from the arrival of 5G technology. Well accepted as a messaging tool and useful in communicating with guests. Chatbots will become more widely used. Is the in-room fixed line telephone obsolete?
- Further adoption of cloud based systems – not because they are cheaper! Priority then becomes addressing Operators tendency to also have added on-site redundancy capacity.
- Keyless door locks likely to become the norm rather than an exception.
- Retention and use of guest data will further expand to personalise service in the era of social distancing –see notes on Cyber Security and Check-in of the Future.
- Robust and truly high speed bandwidth will become even more important – and free for the guest.
- A solid infrastructure 'backbone' will be more important than the attached devices (which may be brought by guests).
- Greater functionality/integrated systems on the interactive TV system.
- Further development on the use of Big Data and predictive analytics particularly in revenue forecasting.
- Adoption of effective digital conferencing in meeting and guest rooms.
- Use of technology to enhance the guest environment e.g. improved air filtration systems.

# SOME FINAL THOUGHTS ON INFORMATION TECHNOLOGY

- There really are only two reasons to adopt new and upgraded technology. Either it increases revenue or improves efficiency and reduces cost.
- It may make your Operator's life easier. Does it do the same for your guest? One operator recently implemented an updated PMS with a check-out cycle that required longer time (and more keystrokes) than the previous software.
- OTA's and Franchisors focus on Guest Acquisition and Retention; Hoteliers need to also focus on Guest Engagement and Experience.
- Has the industry been slow in adopting technology – or technology consultants have not been persuasive on the value and benefit?
- A mobile first approach for guest facing applications remains the most cost-effective solution.
- If personalization of experience is key, use technology to create a market niche in terms of sustainability practice, disability access etc.
- There's nothing new in changing guest demands and expectations. It's the speed of change that's new. Use technology to help you keep on track.
- Cyber concerns with increasing amounts of guest data being collected are going to expand, not contract. Who 'owns and protects' your guest data?

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