



White Paper

Has Your Hospitality Organization Outgrown Its Accounting System?

Five signs your accounting system is failing your hospitality organization



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Executive overview



As the size, complexity, and pace of your restaurant, franchisee, or hospitality organization grow, the frustrations can multiply. That accounting system you relied on to manage finance has, over time, gradually become a barrier to growth and efficiency. But in a highly competitive business climate in hospitality, you can't afford spiraling overhead costs, functional limitations, and unnecessary risks.

Has your hospitality organization outgrown your accounting system? Take a look at these signs and see if your accounting system is holding you back, and learn what to look for in a best-in-class, cloud-based financial management solution that can transform your hospitality organization.

Sage Intacct: It's time to take it to the cloud



Sage Intacct delivers the power of a sophisticated financial management solution and the simplicity and cost-effectiveness of a cloud solution. You get the best of all worlds:

- Best-in-class financial management solution—Everything from a multidimensional GL to cash management, sales tax, multi-entity management, reporting, and analytics
- World-class infrastructure—Automatic disaster recovery, complete security, and virtually zero unplanned downtime—all built-in
- Flexible integration—Our open architecture lets you work with your favorite POS, PMS, recipe management system, and more
- Anytime/anywhere productivity—Built from the ground up as a browser-based, mobile-friendly solution that lets you work from any location on any device at any time
- Touch-free upgrades—Deploys and manages your quarterly upgrades with high-value enhancements—no IT resources needed
- A better ROI—Easy per-user subscriptions without the hardware costs and IT investments for a lower TCO



Sign no. 1: You're not on a system that supports the complexity of your needs

“Every time we encounter a complexity, we quickly find there's a way to solve it with Sage Intacct. If we have to accommodate consolidations with 10 layers of partnerships, we don't worry about whether Sage Intacct can handle it because it's so easy to use.”

~ Brett Atkinson, SVP Finance, Benchmark Global Hospitality

With so many pressing responsibilities, it's no surprise that many hospitality finance departments aren't necessarily laser-focused on the state of their software infrastructure. In fact, it's not uncommon to find hospitality organizations that haven't touched their accounting systems for years. However, there are significant capabilities and workflows that help to improve efficiency and performance that you may be missing out on.

An outdated—perhaps even unsupported—software platform can translate into reliability and downtime problems and security vulnerabilities. And the costs of maintaining a legacy system quickly increase.

Is your accounting system failing you?

It's easy to feel trapped. Hospitality organizations that are saddled with outdated accounting systems find that upgrading their legacy software is too difficult, costly, and time intensive. There's no easy way up because they often lack the IT resources to upgrade related software, databases, and operating systems that are required for the upgrade. Additionally, they need to rewrite customizations and integrations. The result: many hospitality organizations forego the cumbersome upgrade process and make do with the risks and inconveniences of outdated software. And even when they do bite the bullet and upgrade, they find the updated accounting system still lacks key features, requiring them to continue with the workarounds.

If the updated system is not a best-in-class cloud accounting software, they typically find the financial aspect to lack the robust and streamlined capabilities a best-in-class system offers.

The savvy evaluator

Not all cloud financial management solutions seamlessly maintain customizations from older releases. Find out how frequently your vendor releases new versions and how upgrades are managed.

What can a best-in-class cloud financial management solution offer hospitality organizations?

A best-in-class financial management solution ensures you'll always have the latest release. Be sure to look for:

- Touch-free upgrades deployed and managed by the vendor—no IT resources needed
- Faster deployment and virtually zero unplanned downtime to accelerate your ROI

Sign no. 2: You're held back by disconnected systems and processes

“Once I learned the full power of Sage Intacct, we changed the way we used the system, and the transformation was unbelievable. The beauty is its flexibility to fit any business’s custom needs and provide automation that lets accounting departments thrive.”

~ Sean Skuro, Controller, Tender Greens

Finance works best when there is seamless collaboration with other departments and functions. Unfortunately, legacy accounting systems often aren't well-integrated with other enterprise tools and systems—including commercial applications and custom-developed software. That often leaves you trapped in manual processes, spreadsheets, cumbersome workarounds, and slower workflows as you manage conflicting formats and rekey the same data in multiple systems.

Is your accounting system failing you?

The cost of integrating your on-premises financial management system with various applications and databases can be prohibitively high, forcing finance into the “million spreadsheet march” for crucial tasks like enterprise consolidations and revenue recognition. And even if you do bite the bullet to fund your enterprise integration, you're often trapped in a constant maintenance cycle where every new software upgrade breaks your integration.

The savvy evaluator

Beware of the promises of “suite” vendors that tout a unified solution for all your business software needs, including financials. A single-solution approach exposes you to many pitfalls, including one-size-fits-all technology adoption that may not be the right fit for your hospitality organization. Instead, look for a best-in-class, cloud financial management solution that easily and seamlessly integrates with your choice of POS, PMS, and other systems and tools to meet your business needs today and in the future.

What can a best-in-class cloud financial management solution offer hospitality organizations?

Integration is a high-priority value for a best-in-class financial management solution. Be sure to look for:

- Easy integrations with key applications (such as a POS) to automate mission-critical workflows like inventory management and payments
- The ability to integrate on-premises and cloud applications
- The option to integrate in phases

Sign no. 3: You can't keep up with growth

“With Sage Intacct, we work smarter instead of harder, even as we grow at a rapid pace. The fact that we've added 7 new entities—each with their own budgeting and financial planning requirements—without needing any additional staff is a true testament to Sage Intacct's robust ERP capabilities.”

~ Tamara Crawford, Chief Financial Officer, Tetherow

Over time, the expansion into new markets and geographies will quickly bring to light the burden and overwhelming change to your finances. Handling new subsidiaries, currencies, expenses, and regulatory frameworks becomes a reality and these changes add immediate complexity to your processes.

Is your accounting system failing you?

Unfortunately, legacy accounting systems weren't designed to support the fast growth and expansions that smart hospitality organizations are pursuing. They're typically ill-suited to add entities quickly. If you're acquiring additional properties, tracking each property's financials, as well as having a consolidated 100-foot view is a critical capability. Without it, information is spread across several places, accessed by multiple people, and it's difficult to truly see the big picture of the health of your business.

The savvy evaluator

Plan for the future. Determine how easy (or complex) it is to add entities in the future—and whether you'll get the reports and visibility you need across your hospitality organizations.

What can a best-in-class cloud financial management solution offer hospitality organizations?

A best-in-class cloud financial management solution is designed to grow with you and let you:

- Quickly streamline financial consolidations
- Enforce a shared chart of accounts across properties
- Gain detailed visibility across all properties
- Easily share workflows and data in real time—anywhere, anytime
- Perform financial closes significantly faster

Sign no. 4: New business requirements and reporting are difficult obstacles

“General managers now have real-time budget vs. actuals data at their fingertips through Sage Intacct. That’s allowing us to make real-time decisions based on current data, not information that’s weeks old.”

~ Megan Walker, VP of Accounting and Finance, Oxford Collection

To keep up with customer demands and expectations and to continue to be nimble in the constantly changing economy, many hospitality organizations are experimenting with operational changes, such as alternative business models and new technology. Having sound reporting and insight into accurate financials is a critical component of implementing any new business process or model. However, if your accounting system is limited on reporting functionalities, it will become a time-consuming and error-prone task to gather the right information to support making any changes.

Is your accounting system failing you?

Unfortunately, when your traditional, outdated accounting system was implemented, the reporting capabilities that existed were not built for the complexity and demand required in today’s world. Attempting to bolt on or retrofit support for these sweeping changes is either painful, expensive—or impossible—because your accounting system was never intended to do so. The result: You’re forced to use manual processes (and countless rogue spreadsheets) to support these new ways of doing business. And as any finance pro can tell you—that’s an open door to increased audit risks, billing errors, and inaccurate financial reporting.

The savvy evaluator

Test your cloud accounting vendor’s track record. Ask about the most recent product innovations that matter to you.

What can a best-in-class cloud financial management solution offer hospitality organizations?

A best-in-class cloud financial management solution should adapt to your business as it changes by letting you:

- Quickly add new capabilities made available by rapid vendor innovation
- Deploy new capabilities without rewriting customizations or integrations
- Support complex, multi-entity, multi-currency, and robust reporting allowing you to have the data you need to manage your business

Sign no. 5: You have limited visibility

“Before we adopted Sage Intacct, we were running blind since it just wasn’t possible to do any kind of real-time analysis. Now, we’re constantly measuring and optimizing year-over-year same store sales, various marketing campaigns, each of our 5 main revenue categories, and the ramp cycle for new gyms—the visibility we have is like night and day.”

~ John Kalinowski, Controller, Alder Partners, LLC

One of the most prominent changes to the hospitality industry is the increase of restaurant off-premises services such as third-party delivery applications. Offering these new services has helped many hospitality organizations survive the pandemic, and has even helped some businesses grow, but it has also placed new demands on visibility into the business, technology, operations, and managing the finances.

Is your accounting system failing you?

With the addition of off-premises and third-party delivery apps, the hospitality industry has had a major shift. Now needing to hire delivery personnel, handle transportation costs, vehicle maintenance expenses, third-party delivery fees, and more, business operations and finance have much more added

complexity. Plus, the visibility into your financials when you’ve included a third party to the equation can be questionable. Are the numbers trustworthy? Are you seeing them in real time? Losing visibility into your financials is not a place you want to be.

The savvy evaluator

Ask to see the drilldowns and rollups you need for your business based on location, line of business, and entities. Look for the flexibility to analyze different cuts of data in real time.

What can a best-in-class cloud financial management solution offer hospitality organizations?

A best-in-class cloud financial management solution is all about visibility by providing:

- Instant reporting and dashboards with drill-down across all entities based on real-time data
- Tracking of operational, statistical, and financial metrics that matter to your business
- Self-service, customizable reports, and dashboards

Summary

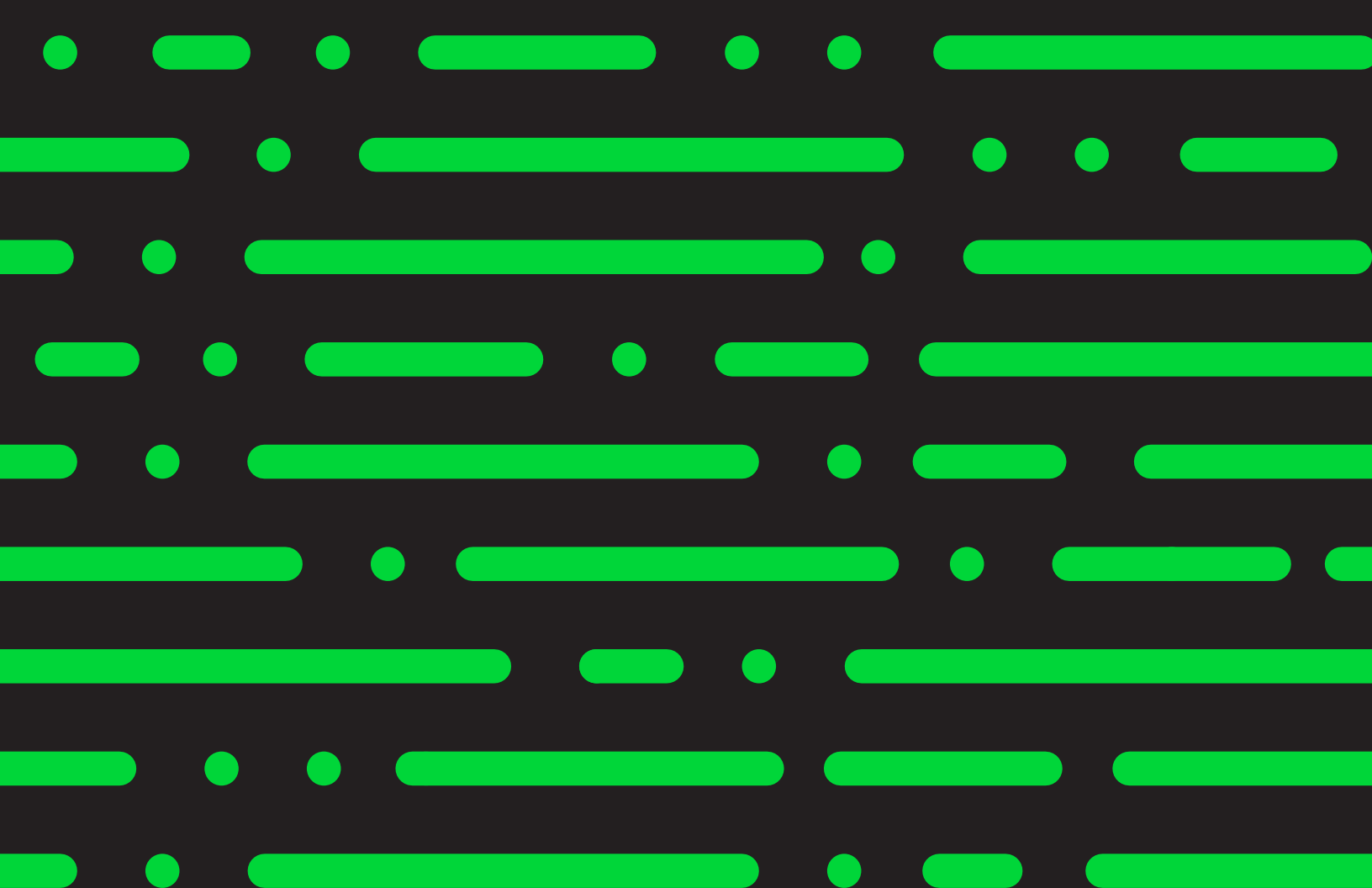


Legacy accounting systems have served many hospitality organizations well for many years. However, they were designed and implemented to meet the finance and accounting challenges of yesterday—they lack what most forward-looking businesses need for today and tomorrow. That’s because modern finance requires you to perform financial closes faster, capitalize on automation to process transactions more efficiently, and deliver deeper business insights in real time across the organization.

As you consider your alternatives for modern finance and accounting, cloud financial management solutions emerge as a compelling choice because they’re designed to not only meet today’s business’s needs but also to adapt as your hospitality organization grows. By moving to a best-in-class cloud financial management solution, you’ll gain time to be more strategic.

Don’t settle for a system designed for the past. Don’t put your business and your finances at risk. Now is the time to move your hospitality organization forward with Sage Intacct, the only cloud finance solution endorsed by the AICPA.





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Sage



Ximplifi
Accounting simplified.

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