sage Intacct

Best Practices for Data-Driven Hotels

Contents

Accounting should propel you forward, not look backward

As your hotels grow in size and complexity, is your accounting system holding you back?

Whether you're a multi-location company or a franchisee with just one hotel, many operators find that what worked fine in the past can gradually start to present obstacles to future growth. Manual processes and a lack of visibility across your entire business means you never get the true and timely picture.

The fact is, hotels generate abundant financial and operational data that flows into the business from multiple streams, such as point of sale, reservations, and property-management systems. And many hotels and resorts operate with distinct entities such as restaurants, spas, and golf clubs. Powerful, enterprise-class cloud accounting provides the integrations with best-in-class systems to turn that data into insights efficiently and accurately. Those reports that used to take hours? Done, in minutes. Consolidations for your entities that used to take weeks? Automated, in real time.

The right accounting software minimizes the manual work in getting the insights you need, so you can spend more time driving profitability and growth.

Stay on Top of RevPAR to Maximize Profitability

During changing and difficult times, hotels are especially challenged to keep a vigilant eye on the bottom line. That's why most hotels track RevPAR (room revenue/rooms available) and average daily rate (ADR).

Owners and operators want to see these metrics to spot threats and capitalize on opportunities. For instance, you can see how occupancy levels rise and fall based on changing room rates, cancellations, and other factors. And the best way to optimize those numbers is to ensure you're getting accurate and timely information from your accounting system.
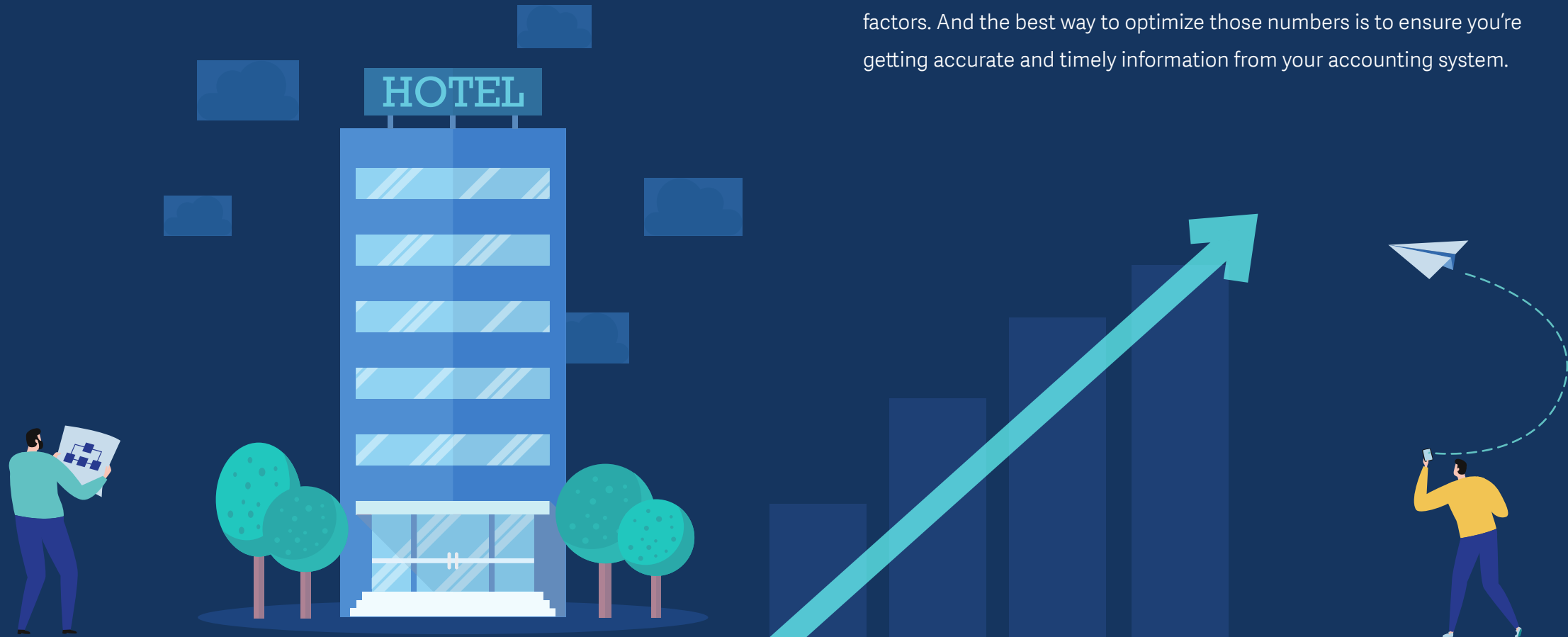
Granular Insight into your Costs

To identify and respond to problem areas, you need insight into how each property is performing compared to your budget or a prior period.

Make sure cost of goods sold has a prominent place on your dashboard. Next, track your RevPAR and ADR statistics as dimensions so you can drill down into the details.

When you see costs and statistics this way, you'll see the areas you need to investigate. If the cost of an item is too high compared to budget, is it time to renegotiate or switch vendors? If RevPAR is growing, the next question is: Is it profitable growth? What are the costs per occupied room (CPOR)? Are ancillary entities, such as catering, parking, and spa services, providing added margin to your bottom line?

Taking corrective action starts with precise insights.

Best Practices to Tracking Costs

1 **View labor costs** as a performance card metric on your dashboard

2 **Use Sage Intacct dimensions** to slice and dice your data for maximum visibility and impact

3 **Automate accounts payable and payroll** processes to eliminate time-consuming, error-prone tasks - and get real-time insights into your costs
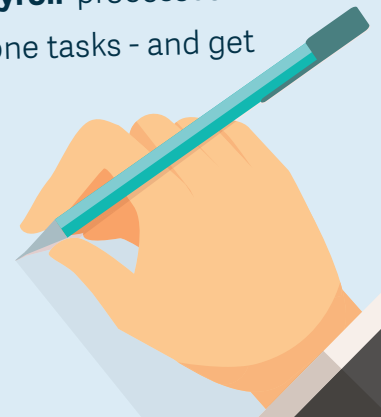
See the Full Context of your Labor Costs

Labor costs, including wages, recruitment, taxes, and benefits, are typically presented as a percentage of sales.

While labor-cost targets will have a different impact in each hotel, there are ways to leverage a flexible cloud accounting system to control this crucial area.

Assign your staff into different categories, such front desk, housekeeping, restaurant servers, kitchen staff, and management. By creating different reporting dimensions, you can easily see what is driving your costs. Drill into these dimensions to generate labor reports that show whether your hotel is being staffed at the right levels for the right times of day, so you can course-correct if needed.

Best Practices to Tracking Labor Expenses

1 **Keep labor costs** within your line of sight on your dashboard

2 **Assign staff** into different categories and create dimensions to easily generate labor reports for a clearer view of costs

3 **Use scheduling apps** to manage your labor costs and integrate them with your cloud accounting management system and run labor reports in real-time

Improve Visibility and Save Time

If your various entities support multiple instances of accounting software, you're likely spending hours or days manipulating data with spreadsheets, tools, and workarounds. That means your business must make decisions based on outdated information.

"

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

Brett Atkinson

Senior Vice President of Finance, Benchmark Global Hospitality

Best Practices to Boost Efficiency

1 **Track and report** on your business using a shared dimensional chart of accounts that enables you to slice and dice data in meaningful ways and build custom reports in minutes. No more manipulating spreadsheet

2 **Automate financial consolidation** – including inter-entity transactions, local tax reporting, currency conversions, and more. View the current financials of each location, brand, and entity at any time

3 **Integrate your cloud-accounting system** with best-in-class applications for POS, inventory management, room reservations, labor scheduling, and more. No more manual data entry

"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
CFO, Tetherow Resort

Create Detailed Custom Reports in Minutes

Take advantage of custom reporting that meets the exact requirements of each entity.

Thanks to dimensional drilldowns, you'll have reports in minutes that create a deeper understanding of performance drivers at your hotel. For example, drill down into room occupancy rates by location, See operating margins across your locations and entities within a report.

With combined insights on the location's sales and costs, you can make informed decisions on room rates, promotions, labor costs/staffing, and more.

Stakeholders throughout the company should be empowered to create and use reports that they need. Sage Intacct tools are simple enough for anyone – from the staff accountant to the CFO – to create role-based dashboards and financial reports within minutes. That means greater frequency and greater accuracy.

Streamlining the Management of Multi-Entity Properties to Fuel Growth
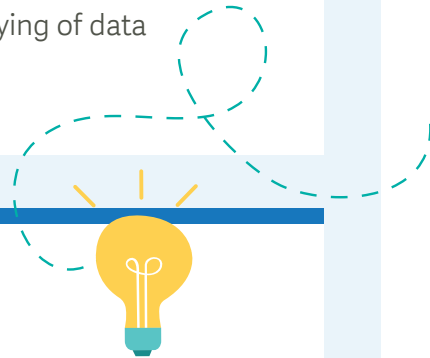
Challenges

- Rapid 10-year growth from golf course to full-service resort
- Now offers/operates tournaments, restaurants, vacation homes, residences, an event center, and more
- Monthly consolidations required manual re-keying of data

Results

- Shortened consolidations by 10x and halved monthly close
- Saving 24 hours/month on cash analysis
- Avoiding $75,000 in annual headcount costs
- Achieved software payback in less than three months

Gains

- Easier to track cash balances across entities
- Easily monitor ongoing profitability of entities and capital projects
- Self-service reporting
- Easier – but secure – information sharing

Global Hospitality Firm Improves Finance Productivity by $800,000, while Managing Financials across 50 Properties

Challenges

- Provides a full range of services including hotel management, sales and marketing, food and beverage, health and wellness, design and construction, and IT and asset management to more than 50 hotel owner clients
- Merger necessitated standardizing on single cloud-accounting platform
- Aptech unable to handle Benchmark's complex finances

Gains

- Greater financial visibility, efficiency, and scalability to fuel continued growth
- Seamlessly manage financials across a complex environment of over 50 properties and 80 entities
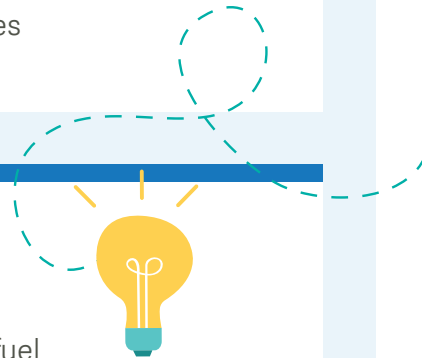
Results

- Reallocated 20 FTEs from manual accounting work
- Gained $800K a year worth of time savings
- New entities set up in two days, not 20 days
- Timely data for in-depth reporting and decision-making

Evolve into a Strategic Business Partner

Your hotels have an abundance of operational and financial data. The right cloud-accounting system enables you to quickly harness that data to make proactive management decisions, by bringing:

- Flexible and custom reporting that fit your needs. Use custom financial and operational dashboards based on a dimensional GL structure so you can make data-driven decisions, easily.

- Accuracy and speed with automation. Automate ongoing finance tasks like financial consolidations so they take minutes, not weeks.

- Real-time visibility across systems. Integrate your hotel systems so you can easily maintain a current, holistic financial view all in one place.

Sage Intacct enables hotels to operate on strategic insights through access to real-time information instead of backward-looking data. Dimensional reporting gives you the most granular details. And you can also instantly roll up multiple entities for a complete, strategic view of company performance.

Why Do Hotels Trust Sage Intacct

Sage Intacct is the innovation and customer satisfaction leader in cloud financial management. AICPA-endorsed and best-in-class, Sage Intacct is a scalable and extensible system that provides multi-dimensional analysis and industry-specific capabilities to automate complex processes and improve company performance, so data-driven finance leaders can focus on strategic initiatives.

For more information, visit https://www.sage.com/en-us/sage-business-cloud/intacct/industry/hospitality/

AICPA® Business Solutions
Preferred Provider of Financial Applications