

INVU:

Opinion Article

Why do hotels need to keep up with the digital age?



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As a result of digitalisation, companies within the hotel & hospitality sector are moving towards new models such as social platforms and mobile apps like Airbnb. Internet platforms such as Booking.com have taken over a large proportion of bookings activity, enabling them to negotiate on fees from a strong position. Faced with increased competition from new entrants, combined with the economic uncertainty of Brexit, the hotel sector must make sure that it is keeping up with the digital age and the demands of consumers.

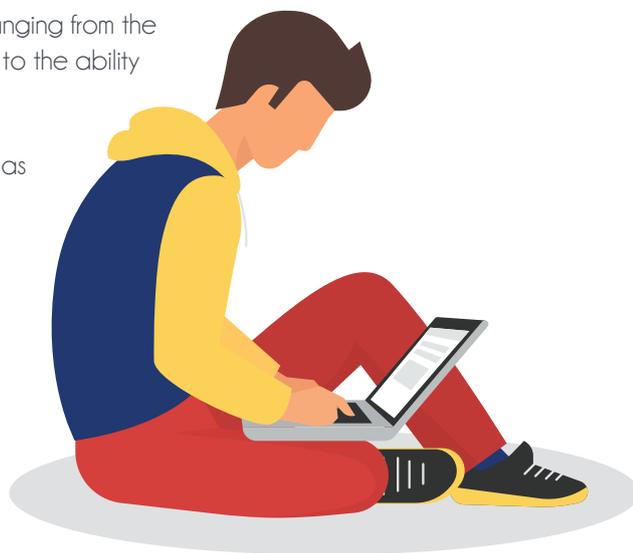
Hotels need to make sure that their internal processes are in order. When Brexit arrives the likelihood is that costs will rise further – from the price of labour to the cost of imported items. Hotels will want to absorb these extra costs as painlessly as possible, without detriment to the customer experience. The issue is not just how they reach out to their customers digitally but also how they make their internal processes digital to ensure a more productive business.

Why should hotels digitalise their internal processes?

Hotels will see a number of benefits from digitalising their internal processes, ranging from the ability to scale operations more easily to meet variations in demand, through to the ability to redeploy experienced finance staff into more productive roles.

Exclusive Hotels and Venues, a family-owned group of country house hotels, has seen massive benefits from automating its Invoice Processing and Document Management operations. It employs 750 permanent staff across six sites and processes 70,000 invoices a year. It had a pressing need to centralise processes. Seamless integration with its existing Sage 200 accounting system was key, to reduce duplication of effort and provide easy access to documents. It was looking for automatic routing of documents through the approvals process, with full visibility of documents at all times.

The hotel group had investigated data scanning technologies in the past but found the solutions on offer couldn't intelligently scan invoices or automate the manual process. They were simply not delivering the improved accuracy and speed of processing the group required, so the search ended there. Fast-forward a couple of years and the group decided to look again. At that time, a single document might be handled six times during the manual process. With 40% of invoices arriving as a hard copy, a lot of paper made its way around the six locations. Once approved, staff would type the data manually into the Sage 200 system to release payment.



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Benefits of automated invoice processing

Exclusive Hotels and Venues decided to implement the Invu Invoice Processing solution. Using invoice capture and data extraction tools, the hotel can now automatically capture information from invoices to drive an automated, electronic invoice payment process. The system also handles Document Management across other departments such as HR, Operations, Legal and Marketing – and integrates with a large number of business software applications.

The group implemented the system across all six sites in time for the start of the 2016-17 financial year. Now invoices are automatically routed for authorisation to the relevant manager for verification and processing, a process that eradicates the previous manual sign-off. The solution codes invoices, 45% of which are from food and beverage suppliers, automatically – removing the need for manual coding. This has released staff to work more productively, adding value in other areas of the business.

Payback across the business

The Document Management system benefits other departments as well as accounts. As all invoices are automatically stored in the system, managers are now able to search and retrieve invoices rather than going to the accounts department for any queries. Secure access controls enable authorised personnel to look up documents from other hotels. As managers no longer have to rely on the accounts department to find invoices, they are able to make increased and speedier use of financial information to underpin business decisions. For example, they may look up an invoice and compare it against what the costs were six months ago.

The number of supplier queries chasing up payment has reduced, as the system is so much more efficient. If there is a query, a manager can make an instant decision for payment authorisation when he or she opens the email query. The reporting facilities provide a clear view of how many invoices are in the system, who they are with for authorisation and for how long.

Issues around storing paper documents are a thing of the past. There are massive cost savings arising from storing everything electronically in comparison with filing and storing hundreds of thousands of paper documents, safe from the risk of loss or theft. It is easy to find a document as the invoice management software stores each invoice as a text searchable PDF. It is possible to search both the invoice data and the OCR'd (Optical Character Recognition) content of invoices. There is a complete audit trail of the accounts payable process. This includes information on every time a user views a document, even if they take no action.

People-first focus

Hotels are first and foremost focussed on people and providing a great experience for their clients. Digitising business process frees up the hotels' people, the employees, to spend less time on processing data and more on adding value to the hotel experience. When they are no longer sat at their desks manually processing and filing invoices, or chasing people for approval, staff have time to get involved in other aspects of the business and further their knowledge.

Streamlined financial processing removes the processing legwork and throws the focus more sharply on the management information that can help drive the business. Enhanced financial control means hotels and hospitality providers have a better handle on where they stand financially and what they can do to improve.

As a result, they are better placed to compete effectively in the challenging and fast-moving hotel and hospitality sector.



About Invu:

Invu develops Electronic Document Management (eDM), Accounts Payable (AP) and Purchasing solutions for a range of sectors, particularly those which are highly document dependent or where compliance is important. Invu's comprehensive product suite encompasses document and content management, purchasing, workflow, document automation and collaboration solutions.

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