Without connections, business doesn’t exist. Our sales tools have been helping us connect clients and properties for years; now they’re learning to connect with each other, too.

You can come up with a great idea for a product or service all on your own. You can recognize that you have a specific need all on your own, too. But until you connect the two, nothing happens. From the Rolodex to the Internet, sales tools have become indispensable to us in helping link providers to customers and satisfy both sets of needs.

However, the isolated nature of many such tools has recently threatened to hinder rather than help the sales teams. By making individual processes faster and more comprehensive without improving the essential links between them, you run the risk of just filling the familiar bottlenecks with potential customers faster than ever, overwhelming your sales teams.

While all of the tools we’ve been using have seen incremental improvements over the last couple of years, today’s emphasis is strongly on systems integration and communications. New technology eases the bottlenecks and greatly simplifies the transfer of sales leads and client data to those who need it most, and more powerful and usable reporting and analysis tools help us make more sense of all the consolidated information.

But systems don’t operate in a vacuum. While the technology is improving steadily and holds the promise of even greater systems’ power and flexibility, these potential benefits are often not fully realized due to business processes still mired in the old manual labor days.

The initial flush of enthusiasm for all-things-Internet over the last couple of years has faded, both as a result of the general disillusionment with over-hyped technology but also as we’ve stepped back and renewed our awareness of how business actually works. Online booking of meetings, online submission of RFPs and the still-unfulfilled potential for automated responses, all are growing, all have benefits, but none has yet really captured the imaginations of the targeted users. They are promising but unrealized. Automating things for the sake of it has been replaced with a focus on what is actually useful; phone calls and meetings have never been more important.

**Sales Force Automation (SFA)**

The SFA modules of existing sales and catering systems continue to grow in capability and usefulness, with excellent contact and account management functions. The ability to manage multiple contacts within any client’s corporate structure and to consolidate multiple corporate divisions’ business into a unified view has become the norm, as has sales directors’ ability to sort through and reassign contacts on a geographic, market segment, sales manager or any other basis.
Inquiry management has improved through better interfaces to accept the various electronic RFP formats, as well as simpler data entry screens encouraging the direct entry of phone inquiries. Links to CRM systems allow far more productive data mining to generate future leads, and reporting has become increasingly sophisticated and flexible.

The functionality bar has been raised by the growing use of mainstream sales force automation systems from outside the hospitality world. Siebel, for example, is making steady inroads into the industry after initial adoption by Marriott, Starwood and other for national account and regional sales office management. While not the least expensive system available, it offers a very high degree of functionality and flexibility in communicating with other systems.

A good example of both the attractions and limitations of modern technology is the Internet-based SFA system from Salesforce.com, which has shown steady growth in many industries including hospitality. Offered on a monthly subscription via ASP basis, it’s relatively quick and straightforward to set up and provides immediate access to an always-current, single central database of your sales information from anywhere your sales team has Internet access. And to quote Hamlet, “Aye, there’s the rub”; instant wireless access to the Internet is truly addictive, but it’s still painfully incomplete. Salesforce.com’s latest release recognizes that fact, and has considerably enhanced the number of functions a sales manager can perform offline on either a PDA or laptop.

**Customer Relationship Management (CRM)**

Interest in CRM grows stronger all the time, improving the completeness of information available to sales managers. Aggregating the stay information from all the properties in a chain centrally, removing duplications and recognizing the full worth of each client allows sales managers to prioritize their efforts much more effectively. Including information on the clients’ comments also allows for more informed, and therefore more effective, follow-up. Long-time players in the hospitality world such as Group 1, Serenata, GuestWare and lebensart have been joined by impressive newcomers such as Amateo as well as significant general-business applications from Siebel, KANA, E.piphany, K2, Acxiom and SAS, all focusing on one or more of the many aspects of CRM.

The increasing availability and sophistication of connections between systems is only driving this process harder. Improved middleware (interfacing and data messaging) software from vendors such as NoBarriers, HubX and Newtrade continues to allow more diverse systems both on property and at multiple locations to share information, improving the accuracy and completeness of the central records. Better interfaces help property-level systems talk to each other, letting data from POS, spa, golf and other systems flow into the PMS-based guest profile for a complete picture of the guest’s activities. Better accessibility to communications networks means that the sales managers can access this information wirelessly from their PDAs, as well as downloading it into their laptops removing one more delay from the availability of crucial information.

Of course, the value of any database depends totally on the credibility of the information in it, and there are many different challenges in the hospitality world to making it complete and accurate. Sales folks are notoriously averse to completing
sales call reports, and any system design must be simple and clear enough that the process is as painless as possible.

Drop-down pick lists should be used wherever possible to record the purpose and outcome of each call, with the right balance between enough choices to be meaningful and few enough not to be tedious. Voice recognition software also promises to make the recording of valuable personal observations and comments far easier than at present, and while by no means perfect is improving steadily.

Dedicated database staff can also be used to keep the records current and consistent, too. There are always judgment calls on whether separate records are really different guests or just different views of the same one. And there will still be a need for database cleansing (e.g. to keep up with company mergers and acquisitions, as well as changes of address for both companies and individuals) and enhancement, adding information from general news and trade sources to fill out client profiles with useful background and context. Keeping your tools sharp and operating at peak efficiency is always beneficial.

**Online Booking for Meetings**

One relatively new development in sales automation has been the online booking of meetings via the Internet. Web booking definitely has its place and should be a standard feature of any modern sales and catering system, but at this point it’s still used for only the most straightforward cases. Prime examples would be the internal booking of meeting rooms for a major corporate office complex, using the company intranet or a regular client with a long-term contract with a hotel using the Internet to book meeting rooms as needed, such as for a monthly series of training classes.

More generally, any meeting requiring just one or two rooms with the simplest food and beverage and audio-visual requirements, booked by someone looking for space at short notice, can be handled perfectly well automatically. A number of different vendors provide this service, such as b-there, seeuthere, getthere, etc., although there’s still no easy way to check on the space available at multiple, differently branded properties without visiting multiple sites. Anything more complex than this still requires the submission of a RFP and the wait for a response, followed by phone calls to check on options, more detailed requirements, possible clashes with other groups in house and so on.

**RFP Automation**

Speaking of RFPs, the explosive growth in the number of meeting planner portals over the last couple of years—Plansoft, StarCite, HotDates/HotRates, MADsearch and so on—has slowed somewhat, as users evaluate which ones offer the best combinations of usability and coverage. None has gained a clear advantage over the others, and the number of different RFP formats they use continues to make life difficult for sales and catering vendors looking to automate their reception and response. Some consolidation seems both inevitable and welcome.

Given the ease of sending out automated RFPs from these sites, it’s easy to add hotels to the distribution list and canvass many more than you might do by phone, which inevitably leads to an increase in the number of leads received by each property’s sales team. What does the poor sales manager do with them all? The
same as at the present – skim through them and respond first to the most lucrative opportunities and those that seem best suited to his or her property or chain.

But even this level of response is slowed too often by a used car approach to responding, with the sales manager having to get approval for the bid from her boss before getting back to the prospect. It takes way too much time to work out the relative value of any particular booking compared to other group or transient business, come up with a bid (and alternatives, if useful), get approval and reply to the client. What happens to the rest of the inquiries? Well, send a regrets notice if you have the time.

Automation should be able to play a much bigger part in this. A key factor is the increasingly tight link between sales and catering systems and revenue/yield management (RM) systems. In the ideal scenario, an automated RFP-response system would track all incoming inquiries, run them through the RM system (or against parameters the RM system sets regularly within the sales and catering system), and present them to the sales manager in ranked order of desirability, with suggested alternatives for dates and rooms.

This level of automation could also lead to more complex inquiries being handled automatically, too, with the prospect receiving a list of possible alternatives, though the business processes would have to change to ensure that the client couldn’t get a different – let alone a better – rate by calling the property direct.

Just as for the millions of people checking Web sites for guestrooms who have satisfied themselves that certain sites do give the best rates, and that there is no benefit in trying to play one off against the other, or against the hotel or the central sales office, the same consistency of pricing will have to be adopted and maintained scrupulously before meeting planners take the system’s word for it on pricing.

The systems could also identify those inquiries that are clearly a mismatch or have to be declined due to a complete lack of availability, and send an automatic regrets notice back to the prospect. It would be a rare sales manager, though, who didn’t think that they might get something out of the lead by calling back personally. The other snag, of course, is that there is still no widely accepted standard for RFP formats, so any automated-response system has a hard time with more than a few sources. We’re not there yet, but the signs are encouraging.

Where are meeting planner portals headed? Particularly at the national account and regional sales office level they perform a valuable function in gathering multiple hotels and brands into one searchable database. But there still seems to be too many of them with only partially complete databases to be truly useful.

For this to really take off we probably need to see more consolidation between the various portals to get a few viable, competing alternatives, and an industry-standard RFP format. The Open Travel Alliance (OTA) is making good progress on the latter, but as in so many interface areas, existing proprietary formats are well-entrenched and will take a while to migrate to any new standard.

Online Meeting Registration
Online registration and housing sites such as Passkey have found a solid niche, especially for the CVB market where major conventions gain a great deal of benefit from a single site coordinating these activities across multiple hotels, each with its own PMS and sales and catering system. They could still benefit from better integration with the hotel systems, though, both for the easier allocation and modification of room blocks and for transferring rooming lists into the PMS before arrival. Newmarket Delphi’s recent announcement of an interface with Passkey is a welcomed move in this direction.

For conventions and meetings held at a single property, it’s a logical step to introduce Web-based registration/rooms control features into their own central booking, PMS and sales and catering systems. Some major chains are already working on this for their standard set of products, and it’s only a matter of time before it becomes a built-in feature from the mainstream vendors. If there can be some agreement on a standard approach, it might actually make integration with Passkey simpler.

**Sales and Catering Systems**

After years of being experts in their own well-defined field, sales and catering systems are opening out at both ends. On the inquiry side, they’re making it easier to track the source of all inquiries automatically (by phone, fax, e-mail, RFP portals) in order to see the big picture and give a realistic picture of total demand. Simple lead screens make it easier to input phone inquiries, and faxes, if in a standard format, can be scanned and imported. More challenging because they’re less structured, e-mails need to be converted to leads, as do the different RFP formats from the meeting planner portals. In this scenario, Web booking requests are just one more source of business.

On the inventory side, closer ties with property management systems have made it much easier to see the full picture of hotel availability, both meeting room and guestroom, during a single inquiry. Most systems still need to go beyond just rooms availability, though, and offer access to all the other possible inventory items that go into a booking. Banquet menus, audio-visual equipment and services are usually covered, at least from the pick-list viewpoint even if inventory isn’t always tracked, but what about spa bookings, tee-times, excursions and all the other leisure activities that form a part of a major group event?

It’s a start to have access to the systems managing these over the same local network and to be able to hot-key between them to check availability. However, the ability to bring all bookings for such activities together onto a single itinerary and confirmation, and to cascade changes in the booking back out to the sub-systems, is still a rare and limited thing despite its obvious value, especially to the resort market.

Those vendors with sales and catering modules integrated with their core PMS database, such as Visual One, Micros-Fidelio, Northwind and Multi-Systems Inc. (MSI), have had a built-in advantage in consolidating a complete picture of guest and company activity across the property, although all still recognize the need to improve their interfaces to other vendors’ products to round out the picture. Earlier this year Newmarket introduced its Integration Server, specifically to improve its flexibility in linking to other vendors’ systems. And Daylight’s Enterprise products,
being designed on a more recent architectural platform, have always had data integration as a key component.

Apart from these new integration capabilities, functionality improvements in sales and catering systems have been steady, if somewhat incremental. After all, most have provided excellent coverage of the most important functions for some time. Some of the interesting recent enhancements include:

- Smart BEO messages, which send an e-mail to only those recipients interested in a change to an existing BEO. A chef, for example, needs to know if a menu has changed, but not that the room set-up has been re-arranged, whereas the steward would have the opposite interests.
- Much tighter integration with property management systems to ensure real-time availability in both systems, mutual action on cut-off dates, cancellations, total group revenue consolidation, and appropriate action on run-of-house room blocks.
- Password-protected Internet access for event group coordinators, allowing them to enter rooming lists and sharing arrangements directly into the PMS, with click-through to the sales and catering group profile to check on meeting rooms and schedules.
- Interfaces with online event registration applications such as Passkey.
- Integration with POS systems for banquet check posting.
- E-mail from directly within the sales and catering application, for booking confirmations, contract drafts and regular communications with current or potential clients. In the past it’s often been necessary to export the communication details to Microsoft Word or Outlook for e-mail (or fax) transmission.
- And much more comprehensive and flexible reporting.

These and other improvements in systems mean that they’re now capable of checking whether pre-set trigger events have occurred and initiate appropriate action. Combined with the increasing use of wireless networks in hotels, this has the potential to give managers access to key in-house sales and catering data, such as the daily schedule of meetings and rooms, the arrival of group coordinators/VIP speakers and so on. While appealing, this type of functionality is still in the experimental stage.

**Revenue Management Moves to Sales and Catering**

The value of revenue management (RM) systems in the maximization of guestroom revenue is well proven. Especially for hotels with a good variety of guest types and variable day-of-week and time-of-year occupancies, adjusting rates and length-of-stay parameters to match predicted variations can give an excellent ROI.

Add the typically much more complex group and event bookings into the mix, with several different room types, multiple different arrival and departure dates for group members, and the need to re-calculate the impact of changes in the predicted group wash percentages, and the analysis of transient business displacement costs for different dates and rates becomes considerably more complex. Nonetheless, it does also allow fine-tuning of the trade-offs between group and transient business with considerably more accuracy.

Opus 2 had such an interface with the old Miracle sales and catering system many years ago, and recently both Daylight and Newmarket announced new integration
projects with Opus 2 and IDeaS, the two leading revenue management providers in the United States. These work best where the RM system is already integrated with the property’s PMS, already monitoring booking pace and recommending variations in rates and length-of-stay restrictions to meet revenue targets.

When a new inquiry for group business is received, running it through the RM system and its known PMS context allows the sales manager to see the displacement costs associated with various group arrival/departure patterns much more accurately. Taking potential discount, commission and F&B revenue factors into account allows them to make much more informed judgments as to the most profitable way to structure the deal.

**Reporting**

Alongside the growth in inter-systems communications, a parallel growth in reporting tools and capabilities may seem less significant, but it’s really of vital importance. No matter how complete the data you’re collecting from and about your clients, it does you no good if you can’t analyze it in any way you want. You need routine reports on your own unique mix of operations, and to conduct adhoc explorations to spot potential trends and identify possible new sources of business.

From the old approach of providing a built-in set of basic reports and a default recommendation to anyone wanting more flexibility to buy and learn how to use a reporting tool (usually Crystal Reports or Cognos PowerPlay), modern sales and catering tools incorporate considerably more flexibility. A whole new range of capabilities from built-in report generators now supports much more sophisticated analysis and targeted marketing campaigns.

Users can now spot trends, analyze and prioritize business from past clients, identify those with the most future potential and launch and manage a targeted sales campaign, all from within the system. Identifying the typical characteristics of various groups from among your own particular spectrum of clients also gives you a profile to find potential new clients from general-purpose demographic databases. And if you do need more sophistication and analysis, exporting to Crystal and Cognos has become simpler.

**Desperately Seeking Connections**

The growth in inter-systems communications today is significant and highly valuable, but in the absence of universal standards still relies on individual pairs of vendors working together to make it happen. Looking into the future, Web services such as Microsoft’s .NET, Sun’s ONE and IBM’s WebSphere hold the promise of letting systems find each other and make their own connections.

These are the very early days for this technology, though, and many questions still remain to be resolved. But in a world where hospitality companies continue to form ever-changing combinations of franchise brand, management company, reservations system and so on, the most successful systems are likely to be those that can form powerful, comprehensive interfaces with other products quickly and with the minimum of manual tuning.
Summary

Sales is still a business of relationships and personal negotiation, and always will be. More powerful and flexible systems, and tighter integration between them, have the potential to make a significant difference to the process by providing each party with more complete information about their options.

But as long as planners feel that they can always get a better deal by calling the hotel directly, sales managers believe they must talk to the customer directly to try to maximize the potential event revenue, and sales directors feel they must personally approve all bids for new business, demand for new tools is likely to lag behind their capabilities.

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