New system selection and implementation is a complex, multi-departmental process, and finding a smooth, well-signposted way through often seems impossible.

What’s the secret to getting to Oz?

When I last wrote on selecting and implementing systems eight years ago (“Perils and Pitfalls of the ‘Puter Path”), I looked at the many things that can go wrong with the whole knotty problem. Every challenge listed there was a reality, but this time around it seemed kinder to take a more optimistic and positive approach. Instead of checking off all the ways we find to shoot ourselves in the foot, let’s talk about the key steps that make things go as smoothly as possible.

The Yellow Brick Road may seem like a simplistic metaphor, but it has some very relevant messages:

>> Dorothy starts with clear operational and technical objectives (she wants to get home to Kansas and she needs the Wizard’s technology to do that).

>> She has an apparently straightforward way to get there (follow the Yellow Brick Road).

>> Before long other people see where she’s going (the Scarecrow, Tin Man and Lion). They decide to tag along and bring their own requirements (a brain, a heart, some courage – useful things to have but not part of the original goal).

>> Just as she reaches the Emerald City and is in sight of her goal the Wizard upgrades the requirement with a major new task (fetch the broomstick of the Wicked Witch of the West).

>> Even when she does that, the Wizard’s technology turns out to be much less effective than she’d expected (“pay no attention to that man behind the curtain!”) and she needs to do some last-minute improvisation with her team to achieve her operational goal.

I can’t promise you ruby slippers to get you to your goal by magic, but there are several steps you can follow to give yourself the best possible chance of making it on your own.

The Basic Map

Do these projects ever go smoothly? Well, it has been known! Which is not to say that it’s easy, or that there aren’t unexpected issues with even a well-planned and managed process. To emphasize the point this article includes more than the usual number of sidebar stories, in which hoteliers tell of the key steps they believe make their process flow well and consultants provide advice they’ve gathered from conducting many such exercises.

To set the background, though, let’s outline the whole process, from initial decision through system selection to successful live operations.

Define the Plan

Success starts with having an overall technology plan for the complete operation, not from reactively implementing a bunch of ad hoc point solutions that may streamline one department’s operations only to shift a bottleneck somewhere else. Keep in mind that you’re trying to improve the efficiency of the whole operation, and that optimizing the whole usually means having to accept sub-optimization of the parts.
You may not be able to go for the whole plan at once (unless you’re building a new property) but if you have a road map of where you want to end up you can install each major component in phases confident that it will all fit together in the end. You’ll also know in advance what temporary interfaces or other operational work-arounds you’ll need and can accept for the interim.

It’s good practice to break all projects down into smaller, achievable sections. IT consultant Bob Lewis’ 3-1-3-4 approach suggests a three-year vision, one-year strategy, three-month goals and four-week plans. The three-year vision and one-year strategy provide consistency and focus; the three-month goals and four-week plans create a collection of quick wins. This approach also provides the opportunity to take stock on a regular basis and see if any change in the business environment requires a re-arrangement of priorities. Life is never static.

Get Executive Buy-in at the Most Senior Level
This is absolutely essential. It needs to be an operations person, too, not an IT one; there must be a solid, operational reason for every project. You need a champion, not a figurehead: someone with a strong desire for the project to succeed, the authority to commit money and staff, and the clout to drive corporate decisions and make them stick.

Assemble the Project Team
Always include both management (for strategy) and experienced line staff (for day-to-day input), chiefly from operations but with IT support and advice. The people who’ll use the system must be the ones making the selection decision, but it must also fit within the overall technical architecture.

Define High-level Requirements
Full RFPs come later; what you want to start with is a clear outline of the key functions the new system absolutely has to do, and without which a system won’t be considered. As always, the trick is in deciding what’s essential and what’s a nice-to-have. Requirements documents, like contracts, tend to include a lot of scar tissue, things written into them as a result of past experience that don’t necessarily have anything to do with current priorities.

Identify Vendors
Do some preliminary checking to identify vendors who have a realistic chance of meeting all your key requirements for both functionality and support. It’s a waste of everyone’s time to include long shots, no matter how much you like the way their systems look.

Web-based Demos to Verify Feasibility
Send the vendors your overall requirements list and arrange Web-based demos for your team. The vendors can follow their usual demo format, but they must show how their systems perform your key functional needs so you can get a feel for how well each approach matches your own operational style.

Initial Proposals
Obtain initial proposals from those vendors still under consideration. Your discussions to this point should have defined what
Detailed, Scripted Demos

Probably the most important part of the process, these should be done at your property and last a minimum of half a day per system. They’re best done back-to-back to ensure a fresh comparison in the minds of the selection team, who must nevertheless take detailed notes of each system’s positive and negative aspects to avoid confusion later. The vendors should receive your scripts at least two weeks in advance to let them configure their systems to your operation as closely as possible.

Your scripts should include all the key scenarios you face on a regular basis, in as much detail as possible. It’s more efficient to cover multiple issues in each, as long as you keep track of which specific actions you’re checking. For example, making a reservation for a businessman attending a three-day conference and will be joined on the second day by his wife who is on a different package and wants a spa appointment, will cover reservations, room sharing, rate splits, multiple packages per room, how well activity appointments are tied to the room reservation and confirmation formats.

Make sure the vendors know that you expect to see all the functionality requested, including interfaces to major sub-systems wherever possible, and that failure to show it will result in loss of points. Too often vendors settle all demo transactions to cash because it’s quicker than using a dummy credit card number, or will gloss over some functions they didn’t configure, or will claim some malfunction is “because they loaded a new version of the software on my computer just yesterday.” I think I’ve heard that in almost every single demo.

RFPs

There’s some debate on the value of fully detailed requests for proposal listing all the functionality you expect to see in the system, plus some you’d like to have if it’s available or could be developed. These take a lot of time for you to prepare, for the vendors to answer and for you to compare responses—especially if you weigh the importance of each individual
function and the degree to which the vendor complies with it—so they should only be sent to the vendor finalists.

In my experience the selection decision is usually made on the basis of the scripted demos, which show how well the system matches your style and operations. However, because no demo can cover all the functionality in a system, the RFP response does serve a useful purpose in documenting the vendor’s claims for its system functionality. Surprisingly often you’ll find some minor function missing that you assumed every system had, and it’s best to be aware of that before training starts.

**ER Definition**

Most vendors will agree to develop at least some functions that aren’t part of their current system or don’t work quite the way you want, and a pending contract definitely provides the best leverage to get them. Make sure you discuss these in as much detail as you can, both for function and for context; without a full understanding of why you want something it’s too easy for the vendor to make it either too simple or way too complex. The first means you don’t get what you thought you would, the second that you might not push for something really useful that’s actually not that difficult to develop.

**Check References**

Check as many as you can, and ask around for others not nominated by the vendor. No system is perfect, and you’ll learn a lot from everyone who uses it. For good or bad, it’s all good input for your own planning.

**Negotiation and Contract**

The final bids from the two or three top vendors should be detailed enough to cover all software, interfaces, training, implementation, project management and support, though you often have to go through a couple of iterations before they’re all bidding for the same configuration. There’s always some negotiating room in the prices, especially if the vendors know that you’re seriously considering alternatives, but don’t press too hard. More important than squeezing the last dollar out of the price is the need to establish a good working relationship with the vendor who’ll be installing and supporting your system. You’ll be working with them for a long time; make sure they answer the phone willingly.

However, do insist on phased payments instead of 100 percent with order which is often considered standard. It is far better to have a
**Constant Communication at MTM**

MTM Luxury Lodging is known for a progressive approach to hospitality technology, epitomized by its Hotel 1000 in Seattle. Given that it often implements multiple leading edge systems at once, how does it ensure smooth installations?

“The most important thing is collaborative communications,” said Chuck Marratt, director of IT for the boutique management company. “For Hotel 1000 we made it clear from the start that we expected all the technology vendors – 14 for the guestrooms alone – to collaborate and cooperate with each other, since this would lead to a far more successful result which they could then all leverage for future sales.”

But as you can imagine this doesn’t just happen. It has to be encouraged all the time. “We hosted regular meetings and lunches for the whole vendor team to meet each other face to face and begin to understand each other’s issues. We set up an Intranet to make it easier for them to continue discussions and record agreements on implementation issues, and we put out joint press releases to reinforce the team aspect. This really paid off during both planning and installation phases, allowing us to identify and correct misunderstandings before they became critical.”

“This approach does cost money, but when we haven’t been able to implement it we’ve run into some vendor performance issues and misunderstandings that could have been prevented and ended up costing more. It’s now our standard process.”

What other steps does MTM take to smooth out the process? Marratt said there are several important factors, including:

- Treating the hotel owners as partners and keeping them in the loop at all times, especially early on. They often have specific ideas about preferred systems, Web site design, etc. and it helps buy-in to include as much of these as possible.
- Using standard core systems (in our case, PAR Springer-Miller’s Host and Newmarket’s Delphi) and a focused selection process for the others (POS, PBX, guest services, etc.). For new systems we make sure the vendors respond to very specific scenarios based on the particular property’s needs, and involve IT staff and key users at every stage. The vendors must understand how their system will be used and show us that it can meet our needs.
- Consistent training. MTM has a PMS specialist on the IT staff and recognized power users at each property. These receive refresher training from the vendors at regular intervals and then train the other users at their sites. MTM also borrows key users from its existing hotels to help a new property through its critical opening phase.

Phasing the training makes sense given the usual pre-opening chaos MTM limits pre-opening training to the basic functions, then conduct more detailed training later when things have settled down a bit.

“All this takes a lot of effort, but actively managing constant communications between all parties definitely makes it smoother,” said Marratt.

"It's not real clear which part of your IT system selection and implementation process is the problem, but overall I'd say it doesn't look good..."
schedule that calls for an initial deposit with the order, another significant payment when the software is installed and running at your property (usually when training begins), and a retainer (10 percent to 25 percent) to be paid within 30 days of formal acceptance.

**Configure the System and Data**

Changing systems is always a good opportunity to evaluate whether the way you’ve been collecting and analyzing data is still relevant, but it’s surprising how few hotels do so. Granted, it’s quicker just to go ahead with the way you’ve always done it, but remember that you’re setting the pattern for the next several years of operations — and priorities change. You also need to decide whether your existing data, especially on guest history, is complete and accurate enough to be worth migrating to a new system, or whether you’re better off discarding it and starting over. If you trust the data you really don’t want to lose it, but migration is never easy.

**Site Prep**

This includes making sure your networks (wired and wireless, admin and guest service) are up to the performance and security demands of the new systems, that interface equipment is installed, sufficient power and air conditioning are provided, enough space is allowed for all equipment (workstations, printers and servers) and that it’s all checked out and tested thoroughly before the vendor installs its software. Proper infrastructure preparation is absolutely essential to provide a reliable, fast and secure foundation for everything you do with the software.

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**Central-hosting Considerations at Millennium**

When upgrading its 14 hotels to a single PMS from the three different systems they had been using, Millennium Hotels & Resorts North America was understandably looking forward to considerably smoother operations and more consistent data.

“Even more appealing was the decision to go with a centrally hosted system (MICROS Opera) running on servers at one location on the east coast,” said John Edwards, director of IS&T. “It’s much easier to set a single, consistent data configuration for everyone to use, much faster to set up a new property by editing a copy of the single standard configuration and then connecting the hotel to the network, and much easier to keep the software current and secure.

“But it does add two extra factors to the implementation process. One is technical; with the hotel operations completely dependent on access to the PMS across the network, it’s critical to make the whole configuration as responsive as possible. Every area has to be tweaked to reduce reaction time (latency) to the absolute minimum: the network, central server, local workstations and even the software utilities on them.

“The other issue is more operational. When the PMS server is taken offline for maintenance or to install software updates, obviously that affects all properties at the same time — and we cover four time zones. So if the PMS is taken down at 2 a.m. on the East Coast, that’s 10 p.m. in Anchorage. The biggest impact is on the F&B outlets because the PMS interfaces go offline too. So to avoid having to run the outlets manually the POS workstations have to be able to run off-line, synchronizing room charges with the PMS later.”

Millennium has done other things to ensure smooth implementations including setting up a Wiki and blogs to document standard procedures and past decisions, insisting on weekly calls with the vendor to review all issues, having IT, the PMS specialist and the business unit representatives be onsite for all installs, appointing two champions at each site to manage all systems issues, and have the PMS specialist regularly audit the properties’ use of the systems and re-train staff as needed.

Five key things Edwards recommends:

- **Preparation**: as much as you possibly can
- **Communication**: constant and centralized, with the vendor and the hotel
- **Standards**: use them wherever possible
- **Buy-in**: get it early, from the hotel staff, the GM and the owner
- **Consistent** on-site representation: have the same people from IT, the business units and the vendor on site for every configuration and every cutover.
Managing complex, high-luxury properties with varied needs in many different parts of the world, you’d think Fairmont Hotels & Resorts would have its hands full with every system implementation. How does Fairmont make sure things go smoothly?

“As much as anything it’s about good vendor relationships,” said Vineet Gupta, Fairmont’s SVP of technology. “It helps that we standardized on a single PMS system (MICROS Opera) and also use their CRS, but you have to have the right people dealing with the vendors. They must understand the business and, while being empathetic with the vendors’ needs, diplomatically ensure that your own priorities are met. We work hard at this; our system team visits key vendors regularly to maintain contacts, keep up with new developments and provide our input to them.”

“Our systems selection group always includes key business and IT stakeholders. They keep our RFPs relatively simple and focus instead on how the systems perform during demonstrations. It’s then essential to define any enhancement requests clearly and make sure they’re included in the contract’s statement of work.”

“Regional needs are taken into account in the single configuration we use worldwide, which we run on the same version of the vendor’s software at all sites. It’s highly valuable that our key data is the same everywhere, so we provide corporate control of issues that affect brand operations, such as market segments and standard reports. While the properties can make local variations in other areas, they tend not to. We also support our key systems (PMS, S&C, accounting) centrally to ensure they’re always consistent and current.”

“Training consistency is also critical to a smooth operation from day one. A corporate team sets up every property, and we try to have the same people from the vendor at all our installations since they’re familiar with how we do things. Despite all this, there will often be something that doesn’t go quite right, or sometimes a trainer who is not up to the vendor’s highest standards must be replaced.”

“Prompt corrective action by the vendor is absolutely essential at these critical times, and that’s when good relationships really pay off.”
When Xanterra Parks and Resorts set about replacing its old central reservations and property management systems for 25 properties, the vendors approached were surprised at the level of detail in the RFI and RFP documents.

“This was quite deliberate,” said Richard Rabinoff, Xanterra’s director of hospitality technology. “While our properties are quite straightforward in themselves, they’re in spectacular locations offering a huge variety of outdoor activities. As a result, we have a lot of very complex package and activity booking requirements. At the South Rim of the Grand Canyon, for example, hikers can start from any one of seven different lodges, hike or ride a mule down the Canyon trails, stay at Phantom Ranch at the bottom and then raft out down the Colorado River or hike out to either side of the Canyon. Since everything at Phantom has to be carried down by mule, all accommodation and meals have to be very tightly controlled, and the number of possible package combinations of lodges, routes, mules, facilities and activities makes for a challenging environment.”

From the start a commitment was made to take equal responsibility with the vendors for the success of the system selection and installation process. “We spent a great deal of time with each vendor to reproduce our environment closely on their demonstration systems, defining in detail the situations we needed to handle, asking equally detailed questions of each vendor and taking copious notes. Once we’d selected a vendor (Micros Opera), we focused on keeping a good, professional relationship with them, working out the details of enhancements they’d agreed to produce for us and working to understand the impact on our operations of not receiving changes that weren’t feasible to develop.

We learned early on that if we took the time to specify an enhancement in great detail to the developers, we got exactly what we wanted.”

Never Stop Talking

Communicate, communicate, communicate. As many of the sidebars mention, constantly keeping in touch with all the key players is essential to correct misunderstandings, identify problems, discuss changes in requirements, priorities and anything else that needs correction as quickly as possible before it becomes a crisis. Keep a professional approach, though, and don’t exaggerate the importance of minor things. Crying wolf can be just as counter-productive as saying nothing.

A Last Word from Dorothy

Despite all the complexities, this whole process can be done in an organized, planned and successful manner, with a minimum of disruption to ongoing operations. It takes a lot of hard work, focus, communication and dedicated project management, but you can get there. Just watch out for flying monkeys.

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To The Point

Mark Haley, a Boston-based consultant with the Prism Partnership and a veteran of innumerable systems implementations from his 15 years with Sheraton, offers the following thoughts: “Always be able to make a good case for changing systems. The surest way to make a hotel staff fall in love with their current system is to tell them you are going to take it away from them.”

Additional Haley insights:

1 | Invest time in needs analysis before getting demos.
2 | Your only point of leverage to negotiate is when in purchase mode. Once you sign a contract your leverage is gone, so negotiate everything you might want for the foreseeable future before you buy, including Service Level Agreements, remedies for breaches, support price increases, rates for additional training, purchase of additional modules, etc.
3 | Don’t alienate the vendor, as a company or individually. You need them to provide support willingly, and you will end up doing business with them again, somehow, somewhere. You never say goodbye in the hotel business, only auf wiedersehen.
4 | Remember to allocate time and resources to set up and tear down the training room; it’s often overlooked. You can’t train on the front desk.
5 | Plan for multiple training classes for all departments, even those with only a few users. You have to leave enough employees out of class to run the property.
6 | The people with the worst training class attendance are invariably the line managers, who are then not able to support the employees after go-live.
7 | There is always a fire drill to get one system or interface installed. Be prepared to handle it!

Mr. Rock Recommends a Solid Foundation

Jeremy Rock has been managing systems implementations for most of the 18 years he’s been in hospitality technology, especially as president of The RockIT Group he founded nine years ago. His essential keys to a successful project?

“Plan as completely as possible from the start, and define the property’s objectives from an overall systems standpoint. This often involves educating managers on the implications of their decisions, and sometimes even suggesting extra systems that would enhance the goals. With today’s emphasis on integration and converged networks there’s no such thing as an isolated system.

“Infrastructure is the key that pulls everything together; include it in your planning right from inception, at the same time as equipment and furniture placements. Last-minute improvisations and changes can be unsightly and unreliable.

“Tailor each plan to the current specifications and needs of the property instead of re-using one based on something the GM or architect used five years ago somewhere else. Then stay involved with every aspect of the development and implementation. Construction seldom goes completely to plan; regular site visits and constant communications with the whole team minimize the potential for finding last-minute issues when the systems are deployed.

“Involve everyone in building a comprehensive plan allows you to know where you’re going. Constantly staying on top of it makes sure you’ll get there without too many surprises.”

Planning for Success

Allison Morris, principal of ForEm Consultants with over 15 years of implementation experience, lists several essential factors to successful projects:

“Start with a detailed plan with all significant milestones and dependencies,” Morris said. “It alerts you to potential slippage as early as possible and lets you involve other key players in working out the impact and potential recovery options.”

Everyone is in agreement that buy-in is essential. “You need full executive sponsorship to make it happen, but you must also involve the people who’ll be using the new system right from the start for them to buy into the process. Try to include people who’ve worked with multiple properties and systems; they can suggest features they know from experience will be helpful.

RFPs are important, but scripted, hotel-relevant demos are a better test of the system. An RFP may indicate that a system can to do A and B, but the scripted demo will show if it can do both at the same time. Contracts are like pre-nuptial agreements. Make sure before you sign that you’ve covered all your issues and that the vendor has committed in writing to all the enhancements you believe are essential.

Check as many reference properties as possible. Some hotels will love the system, some will hate it, but their experiences are all valuable input for your planning.

Training is crucial; it must be mandatory that all users attend all relevant classes. This especially includes management, who need to understand the system properly to support their teams. Implementing any new system means, in effect, that every single person is starting a new job on day one.

Above all, plan up front and effectively communicate, communicate, communicate. People can handle anything if they’re properly prepared.