

## ***Leveraging technology to improve efficiency and enhance customer satisfaction*** ***– The Royal Orchid experience***

### **Preface:**

Royal Orchid Group, an early pioneer in the hospitality business has been expanding aggressively across India in the past few years to ride the tremendous optimism witnessed by the industry. However, the rapid growth and expansion posed new challenges for the group as it could not optimize its property occupancy and thus maximize its revenues. The management was quite concerned as hotel rooms across India were in huge demand while it was facing a challenge of filling up rooms in their properties all the time. The problem was complicated further by the fact that the group was not able to invest in new properties without ensuring existing properties are filled up. The group identified adoption of technology and implementation of a single enterprise solution across the properties to be the best solution to address this challenge and other related challenges.

### **Detailing the challenge:**

Before the transition, Royal Orchid Group carried out reservations manually with property-wise status of bookings and reservation requests being forwarded to individual properties of the Group through telephone/fax/e-mail. This besides being time consuming also proved to be a quite unreliable and importantly, a non-scaleable model. Sample some of the issues that the group had to contend with due to the manual process:

- As each property offered different facilities at differentiated tariffs, application of property-specific tariff was invariably complex resulting in tariff negotiation being a cumbersome procedure
- Tariff offered to travel agents varied depending of the market segment, business source, seasons, etc. and maintenance of a manual record of special, negotiated tariffs for thousands of CVGR Companies and Travel Agents for each property and applying the correct tariff for each reservation proved to be a herculean task
- Both the above factors combined, often led to incorrect application of rates at the time of reservation and subsequently in the billing
- When the billing is incorrect it leads to delays in clearing of the bills
- Since most of the business is on credit, incorrect billing led to longer cash-flow cycles which affected cash flow situation and profitability.

Above all, with the market dynamics on a constant swirl, the group had no option but to adopt a system that will allow its managers to respond real-time to such dynamics without creating a cumbersome procedure or generating confusion.

## **The Solution:**

xxx, the company behind xxx Suite of hospitality software solutions, was called by the Group management to address this business challenge and streamline reservations and revenue optimization across properties. The company after extensive study of the group's properties and its structure and relying on its multi-decade experience of working in the domain, came up with a multi-level solution.

At one level, each Property was computerized using Fortune Express Property Management System with a leased line enabling online functioning with a dedicated external IP address. At another level, a comprehensive solution comprising of Fortune Central – Central Reservations System, Fortune Central – Central Reservation Office and Fortune Enterprise – Property Management System was installed at the corporate office. A specially written transfer program resides at one of the client PCs on the LAN at the property, which is connected to the leased line as well as to the PMS network. This transfer agent acts as a link between the property and the CRO. The CRO uses client server software for carrying out the daily reservation activities and synchronizes the transfers to & from the web based CRS system. All these were then linked to an online booking engine which IDS created. Here is how the process became simple, scaleable and automated through this multi-level solution.

Once customer gets a password then they need to do the reservation for the property where they would like to stay. Based on this the software immediately displays availability of rooms in various categories under different tariff that are available for booking and the customer has to select the room type and confirm his credit card details for online payment. Upon this confirmation the customer is given a confirmation voucher and the same is also emailed. The reservation is immediately updated in the CRS Database. As soon as this happens the CRO transfer agent at the CRO pulls this reservation and updates it into its database. It also identifies the property for which the reservation is for a transfer it to the relevant property. The transfer agent residing at the property receives the reservation and updates the PMS database. The transfer process (CRS → CRO → PMS) is transparent to the user and is instantly done in real-time. In case the internet link to any of the properties is down due to which a particular reservation could not be transferred; it displays the message on the terminal. That reservation is immediately transferred to the relevant property as soon as the link is up.

The Transfer agent residing at the property level updates the CRO on the various changes that occur at the property level in relation to the reservations or any transaction affecting the hotel position or rate structure. For example, if the property blocks certain rooms for a specific date for management or maintenance, it results in a reduction of the saleable room-inventory for that particular date and for that particular room type. The transfer agent identifies such a change and immediately sends an update to the CRO database to carry out the desired reduction in the inventory. The CRO transfer agent at the CRO receives this update and updates its central database. This update is also applied to the CRS (Web) database immediately. Again this process is transparent to the user and happens in real-time.

For further effectiveness, three types of logins were created - corporate, IATA & guest. Corporates and travel agents were provided with a company code, user ID and password. Whenever the corporate or travel agent logs in to the CRS and makes a reservation, the rate specific to the company or the travel agent for the specific period, room type and meal plan is applied automatically. Additionally, travel agents who have agreed for certain bulk businesses are also provided with certain free-to-book rooms known as 'Allocation'. The Fortune Central System keeps a track of reservations from such travel agents and provides a detailed analysis in terms of reservations actually made against the allocation pre-defined for the agent. It also provides data in terms of actual reservation inside and outside allocation.

Thus in one stroke, the solution not only addressed the challenge but also made the group/its properties tech-savvy, the customer interface, very user friendly and more importantly providing the management with real-time and accurate data in whichever combination they need available on the click of a mouse.

**The technology adopted:**

Xxx built the web interface using the Microsoft framework that was integrated into the Royal Orchid Hotels' website. Whenever customers click the 'Online Reservation link; the control is transferred to the Fortune Central software. The xxx Central Software is hosted on a server running the MS Windows 2003 server edition with IIS & SQL 2000.

**The result:**

- Real-time and online reservation possible from anywhere in the world
- User Level Access – different levels of authorization to staff, travel agents, tour operators, sales officers and corporates
- Property Managers have to access only one system for their electronic distribution management, dramatically maximizing their efficiency
- Online, real-time direct access to property inventory, availability and revenue management information
- Maintains profiles of different companies, tour operators, travel agents and has the capability to handle different rate plans in different market segments for each travel agent, tour operator and corporate
- Enables setup of property and time-period specific hurdle rates besides promotions of special offers
- Enables online and real-time reservations access for Corporates, travel agents & mobile sales officers

**Business benefits:**

Besides optimization of the reservation process, the solution implementation led to a whole new channel of bookings opening up which was anytime, anywhere. The user-friendly interface led to enhanced customer satisfaction. Above all, better room occupancy rates and zero incorrect billing led to higher revenues and profitability which allowed the groups' management cushion to expand their footprint rapidly without having to worry about existing properties' efficiency and profitability.

### **About xxx Central & Fortune Enterprise:**

**xxx Enterprise** is a complete Property Management System, designed to empower, improve productivity, performance for full-service Hotels & Hospitality Enterprise Operations. It is built around the most contemporary technologies, for properties looking at integrating their entire operations. It is a comprehensive system with the capability to address all the computing needs of a modern hotel or resort. **xxx Central** is the best of its class, end-to-end Central System that has the capability of delivering customized functionality and superior scalability from mid size to large segment Hotels, Resorts and Property chains. Interfacing Fortune Central with Fortune Property Management System extends the ability to provide enhanced customer service and pilot better operating efficiencies centrally. The key feature of Fortune Central is Room Reservations.

### **About xxx:**

Headquartered at Bangalore, xxx currently has more than 1200 clients in around 20 countries. It has offices at Mumbai, Delhi, Calcutta, Hyderabad, Chennai and Goa in India and several offices globally. The company specializes in comprehensive and integrated software solutions under the brand name 'Fortune' for the entire spectrum of the hospitality industry. Xxx technology team has a combined domain experience of over 600 man years. The company's development and global support centre at Bangalore offers support to its customer on a 24x7x365 basis. Fortune Suite powers Sarovar Hotels and Resorts, ITC Fortune Park Hotels, Royal Orchid Hotels and Club Mahindra Holidays to name a few.

### **About Royal Orchid:**

Royal Orchid Hotels is one of the largest hotel chains in Bangalore and well recognized names in the hospitality industry. The Group currently has four hotels - Hotel Royal Orchid, Royal Orchid Central, Royal Orchid Harsha in Bangalore and Royal Orchid Metropole in Mysore. The group is aggressively expanding on a pan India basis. Royal Orchid Group has extended its expertise to a wide spectrum of high quality hospitality solutions which include Food Factory, a catering company supplying "packaged meals" to a host of MNCs, Presidency College of Hotel Management and a Hospitality Advisory Practice.

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