



Customer Profile

Five star revenue management anywhere: Accor Standardises on Infor EzRMS



Facts at a glance

Product: Infor EzRMS

Industry: Hospitality

Country: EMEA

“The key benefit that Infor EzRMS has delivered is that regardless of brand or location, from luxury in London to budget in Berlin, we can now drive the performance of our hotels. We can more accurately forecast demand and improve the guest experience to optimise demand opportunities.”

—Jonathon Liu, Vice President of Pricing and Revenue Management, Accor UK & Ireland

About the company

Accor is the world’s leading hotel operator with around 3,600 hotels and 460,000 rooms. Accor welcomes business and leisure travellers in 92 countries across all hotel segments: luxury-upscale with Sofitel, Pullman, MGallery, and Grand Mercure, midscale with Novotel, Suite Novotel, Mercure and Adagio and economy with ibis, ibis Styles, ibis *budget* and hotelF1.

The Group also boasts a powerful digital ecosystem, notably the booking portal accorhotels.com, its brand websites and its loyalty program Le Club Accorhotels.

Global revenue management excellence

Driven by a programme to improve efficiency across the Group, enhance performance and critically, capitalise on the potential of a pool of a centralised revenue managers, Accor set up a revenue management facility. Called “RM on Demand” this delivers best practice revenue management to approximately 95% of Accor UK’s owned and managed properties and has seen strong pick up by franchised hotels as well.

To enable this service, Accor chose Infor® EzRMS as one of the two platforms on which to standardise revenue management. Previously the revenue was managed on a hotel by hotel basis, leading to a lack of consistency across regions and market segments. Jonathon Liu, vice president, pricing & revenue management for UK & Ireland at Accor, explains: “We had multiple spreadsheets and that meant no single, consistent method of reporting or forecasting revenue. We realised that with a standardised system we would not only be able to achieve greater efficiencies, but also expand best practices across the group brands, as well as capitalise on the movement of talent within the group as managers move from one property to another.”

Whilst the specific deployment varies by hotel, Accor has built the system around the core module of Infor EzRMS, alongside EzQUOTE, EzREGION, EzBUDGET and EzCONTRACT. Deployed via the web, the applications are used across all regions and brands, leading to the development of a global standard for market segmentation.

This enables Accor to manage properties consistently, be they in Asia, the Pacific or the UK. Properties in the same market segment, for example the mid-scale Novotel and Mercure brands can be compared on a like for like basis and held to the same standard.

This analysis is based around four key criteria: details of the guests’ residence, the purpose of stay, distribution channel and rate level contribution. The granular detail offered by EzRMS is adapted for each brand: for example within the budget Ibis brands, around 85% of guests are domestic travellers, whereas for the luxury Sofitel brand, some 50% of guests are international travellers.

By cross-referencing this with other criteria, an accurate picture of guest preferences can be developed and the hotel can adapt accordingly to optimise performance. Infor EzRMS enabled Accor to identify the demand for different room products that are available in a hotel, leading to more accurate demand models and better forecasting.

Simultaneously, because this is a standardised process, the reports and forecasts based on this data can be repeated quickly and easily, leading to monthly reviews for each property.

Liu continues: “It is not just the fact that EzRMS enables regional reporting with standardisation of data and reporting across brands and segmentation. With so many people moving around the business, the standardised approach allows general managers to move into a new role, hotel or brand and be familiar with the data and reports. As a result we can positively infect every property with best practice, leading to more satisfied customers and better performance.”

Revenue management innovation

Within the “RM on Demand” facility, Accor employs a mixture of not only “traditional” revenue managers, with experience across reservations and front office functions, but also finance and analytics specialists. Typically a senior multi hotel manager will oversee the revenue management for 4-6 properties, across the different brands. Again, this delivers best practice to a wide range of properties, and has proven to be a key tool in developing a competitive advantage over competing brands, especially in the budget sector.

A key part of this advantage has been Total Revenue Management. Instead of a narrow focus on room revenues and just filling rooms, EzRMS enables Accor to go a step further by not only forecasting all revenue streams in the hotels but also forecasting arrivals, departures and even in house guests. This data can then be used to improve operational efficiency and drive a total Total Revenue Management approach.

The complete view of portfolio performance also enables Accor to more accurately focus marketing investment. Liu explains: “We have a far clearer grasp on the booking patterns or different customers. For example guests from Brazil will typically book seven weeks in advance, whereas those from France or Germany will book four weeks ahead. This means we can then better deploy spend on tools such as SEM to hit the right countries or right markets at the optimum time, improving return on investment.”

Elsewhere, the use of corporate customer sales forecasts from Infor EzRMS has led to the development of demand profiles that help to pre-empt high demand periods and offer key corporates block allocations. This has not only focussed the management of corporate contracts between hotels but also supported sales and contract negotiation and built stronger relationships with key corporate clients.

Wolfgang Emperger, regional vice-president, hospitality, Europe, Africa, LAM & India, Infor adds: “The diversity of the Accor portfolio shows that large or small, three star or five star, city-based or in the provinces, revenue management can optimise the balance of demand and supply, improve selling strategies and maximise the yield and profitability of a portfolio of properties.”

Jonathon Liu concludes: “The key benefit that Infor EzRMS has delivered is that regardless of brand or location, from luxury in London to budget in Berlin, we can now drive the performance of our hotels. We can more accurately forecast demand and improve the guest experience to optimise demand opportunities.

“By deploying this from a centralised function we have developed a service culture that helps the owned and managed properties to increase their market share. We have seen incredible pick up of the service amongst franchised properties as well, with the number of franchisees using RM on Demand doubling in the past six months. That kind of growth, with the development of best practices across the brands means we can continue to outperform the competition.”



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