

Agilysys..

rGuest[®]
analyze



AGILYSYS rGUEST[®] ANALYZE SOLUTION
Improve Performance and Customer Service

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INTRODUCTION

Our world is information intensive. There's a constant flow of rapidly changing information surrounding us all of the time. Trying to sift through huge volumes of available data to find the most relevant answers for business challenges may feel a bit like drinking from a fire hose.

Business analytics was a top priority for nearly 40% of CIOs polled by Gartner at a 2014 conference¹. Yet today, most small and mid-sized businesses continue to gather information manually and create reports in Excel.

Excel can be a powerful reporting tool, but it is also time consuming. Rolling up data from multiple sources and manually setting up pivot tables is difficult, detail-oriented work. The resulting report is not updated in real-time.

There is an easier way to study your business and optimize your operation. Analytics solutions are becoming more affordable and accessible to small and mid-sized businesses. Analytics solutions provide the potential to yield big, business-changing insights for hospitality businesses.

This paper will explore what areas of a hospitality business can be improved by analytics and why information in your point-of-sale (POS) system is a tremendous source of analytics data.



**BUSINESS ANALYTICS
WAS A TOP PRIORITY FOR
NEARLY 40% OF CIOs POLLED
BY GARTNER AT A 2014
CONFERENCE¹.**

¹ Clint Boulton, "CIOs Rank Analytics as Top Strategic Priority," Wall Street Journal, February 6, 2014.

WHAT WILL BE THE ROLE OF ANALYTICS FOR HOSPITALITY BUSINESSES?

In an increasingly competitive and data-rich business environment, organizations will gain a competitive edge by making small yet substantive improvements in efficiency as well as reducing costs. In order to succeed and grow, companies will need to make strategic decisions not based on gut feelings or hunches, but on real-world data measured and monitored in real time.

Success in hospitality is all about knowing your customers and serving their needs. The future of hospitality will be data-driven. Success lies in creating a fact-based culture where business decisions are made based on measurable results. Analytics help hospitality businesses better understand their customers wants and needs, so they can improve product mix, pricing, promotions, and customer service.

Higher profitability is the central goal of any hospitality business. One side of the profitability coin is generating revenue. Analytics can help you use data to deeply understand the operating model of the business and make critical business decisions that lead to increased guest spending and improve your ability to recruit new guests.

The other side of building profitability is controlling cost. Here, an analytics solution can “light up the dark corners” of your business. By expanding visibility and governance, Analytics can help you make business decisions that improve inventory optimization and loss prevention.

For managers of hotels, resorts, managed food services and restaurants, one of the richest data streams available is information in your point-of-sale (POS) system. It contains troves of data about your customers, their spending habits, and their product/service preferences. Let’s explore some of the areas of your business that can be improved with POS analytics.

Product mix - With a POS analytics solution, it’s easy to identify products that sell well and products that are less popular. Determine what products will sell best at each location. You can even analyze your product sales at different times of day or days of the week. This will help you refine your products to maximize guest satisfaction and profitability.

Inventory control – After you’ve identified the sales patterns for different items at different times and locations, you can greatly improve your inventory control processes. Reduce the cost of wasted products or spoiled food while ensuring that guests needs are always satisfied.

Pricing and promotions – Knowing your most popular products will help you design better special events and promotions. POS analytics can also help you determine the effect of pricing strategies on revenues and profitability. You can also see if promotions bring more customers in the door or increase guest consumption.

Labor costs - POS analytics can help you reduce and control labor costs by identifying how much labor you need at different locations at different times of day or days of the week. You might discover that you want to adjust a location’s hours of operations if revenue is too low to justify labor costs at a particular time of day.



**SUCCESS LIES IN
CREATING A FACT-BASED
CULTURE WHERE BUSINESS
DECISIONS ARE MADE BASED
ON MEASURABLE RESULTS.**

Employee performance – In addition to keeping an eye on overall labor costs, POS analytics can help you see trends that may indicate how well each employee is performing. Higher returns in a certain shift or from a certain terminal may indicate an employee who needs additional training. Comparing inventory levels with revenues can help you spot potential employee theft.

Differences between locations – If all of your locations use the same POS system, you'll be able to compare the performance of different locations across any of the operational areas we've listed, from product popularity to guest metrics to employee productivity. Drill down on any differences you observe to find areas that need improvement or identify regional/cultural preferences that may be important to a given location's success.

A good POS analytics solution can help you make critical business decisions in all of the above areas, and more. Because you will store all of the information available from the POS data stream, you will be able to answer questions about your hospitality business that you haven't even thought of yet.



**A GOOD POS ANALYTICS
SOLUTION CAN HELP YOU
MAKE CRITICAL BUSINESS
DECISIONS.**

WHAT'S INVOLVED IN AN ANALYTICS SOLUTION?

In simplest terms, an analytics solution is a software package, or Software as a Service (SaaS) subscription, that helps you:

- capture business data streams from one or more sources,
- drill into that data to answer specific business questions,
- present information in a way that's easy to understand, and
- communicate key insights across your organization.

Let's begin with capturing **data streams**. To answer important questions about your business, you have to be able to access relevant information. Analytics solutions can receive streams of data from a variety of databases in your business management systems, including accounting or enterprise resource planning (ERP), customer relationship management (CRM), point-of-sale (POS), and more.

As business analytics evolved and the cost of storing data decreased, today's analytics solutions are very flexible, making it very easy to answer new questions about your business. Your company can store all of the data from your data stream(s) in an indexed, efficient, and highly malleable format. To answer new questions, you will simply create new views of the data. All of the information you need is stored and ready for analysis.

An analytics solution usually delivers results in a visual representation like a chart or graph to display the trends. These graphical representations are known as **visualizations**. If you want more granular detail than the visualization offers, most analytics solutions will also let you drill down into the nitty gritty numbers and even export information into Excel for further manipulation and analysis.

Typically, an analytics solution will enable you to pull together several visualizations into a custom dashboard. Different managers or executives will have different **dashboards**, depending on what metrics (or Key Performance Indicators) are most important to their role in the organization. With a dashboard, you can monitor the health of your business daily with a quick look at your dashboard and then drill down for more detail.

A good analytics solution will also empower you to investigate new business questions, by creating ad-hoc reports on information contained in your data stream. You may just need the new report one time or several times to investigate a specific problem. If the information proves useful over a longer term, you can easily turn it into a regular management report and visualization on your dashboard.



TODAY'S ANALYTICS SOLUTIONS ARE VERY FLEXIBLE, MAKING IT VERY EASY TO ANSWER NEW QUESTIONS ABOUT YOUR BUSINESS.

SOFTWARE AS A SERVICE IS THE EASIEST DELIVERY MODEL FOR HOSPITALITY ANALYTICS

As we mentioned earlier, you can obtain a business analytics solution as an on premise software system or as a Software as a Service (SaaS) subscription. There are several compelling reasons to consider SaaS, especially in the hospitality industry. Analytics is a problem that seems built for the subscription service model. With SaaS, the vendor assumes the cost of maintaining the solution as well as the infrastructure needed to support it. The vendor is responsible for performing upgrades and maintenance, and you'll enjoy any new feature enhancements right away. Rather than paying large upfront fees to license and customize software, you'll pay an affordable monthly subscription that comes with easy-to-use prebuilt reports and visualizations. SaaS deploys very quickly, so you can start leveraging the power of analytics right away.

Hospitality businesses would do well to explore SaaS analytics solutions from their point-of-sale (POS) solution vendors. Your POS vendor understands your industry and how to study your data in order to optimize operational efficiency.



OBTAIN A BUSINESS ANALYTICS SOLUTION AS AN ON PREMISE SOFTWARE SYSTEM OR AS A SOFTWARE AS A SERVICE (SAAS) SUBSCRIPTION.

EVALUATION CHECK LIST FOR HOSPITALITY ANALYTICS SOLUTIONS

If you're ready to explore what an analytics solution could do for your hospitality business, here are some features and capabilities to keep in mind during your evaluation:

1. **Rapid deployment** – To experience a good return on your analytics investment, look for a solution that you'd be able to implement across your business quickly.
2. **Timely data streams** – Some analytics solutions offer real-time reporting, others work in near real time, depending on the data streams you're receiving and how information updating processes work in your organization. For businesses with many locations, daily updates might be more appropriate. If your business has been operating on weekly or monthly management reports, the added timeliness of analytics will provide a huge step up from manual reporting.
3. **Easy to use and available for self-service** – To encourage high adoption of your analytics solution, you'll want it to be easy to use. You also need managers and executives to be able to explore the data and visualizations on their own and customize their own dashboards. At best-in-class organizations, 56% of business intelligence users can access analytics without any intervention from IT.²
4. **Remote access** – Another good way to increase user adoption is to make analytics available remotely, so executives can logon when they travel or are at home. If you have many business locations, remote access may also be an easy way to let your onsite managers benefit from the same analytics viewed at the corporate office.
5. **Access from mobile devices** – Help managers to push away from the desk and take performance information with them out into your business. According to Aberdeen, 40% of best-in-class organizations with analytics can access business intelligence from a mobile device, such as a tablet.³
6. **Graphical visualizations** – The human brain processes images 60,000 times faster than text. That's why visualizations are so effective at transmitting big picture trends at a glance. Graphical dashboards provide a time-sensitive, comprehensive overview to help executives and managers make good business decisions more quickly.
7. **Ability to design dashboards** – Pull together the most important metrics about your business so you can make monitoring them a routine part of your day. Different management roles should be able to create custom dashboards that include visualizations to monitor trends with the greatest impact on their departmental performance.
8. **Drill down capability** – Sometimes you'll want to dig into the numbers behind your dashboard. The analytics solution you choose should make this as easy as point and click. It's also best if you can easily export reports into Excel for further manipulation.
9. **Flexible ad hoc reporting** – When you come up with a new question about your business, it should be easy to set up a data query and create a report about it.

² Peter Krensky, "Best-in-Class Reporting and Dashboards: The Workhorse of Analytics," Aberdeen Group, May 2014.

³ Peter Krensky, "Best-in-Class Reporting and Dashboards: The Workhorse of Analytics," Aberdeen Group, May 2014.



40% OF BEST-IN-CLASS ORGANIZATIONS WITH ANALYTICS CAN ACCESS BUSINESS INTELLIGENCE FROM A MOBILE DEVICE, SUCH AS A TABLET³.

10. Automated reports and distribution – To put management reports to good use, you'll need a solution that enables you to run key reports on a regular basis and make them available across the organization. Aberdeen Group found 77% of companies that excel at managing the Total Cost of Ownership (TCO) of analytics have a process for automatically refreshing and distributing management reports.⁴

11. Vendor with subject matter expertise – Choosing an analytics vendor that understands the hospitality business is very important, because the vendor will determine what predefined reports and visualizations are available for your data. While you can build additional reports ad hoc, it's nice to start out with some relevant key performance metrics for your industry.

As you can see, the SaaS subscription delivery model serves many of the criteria above quite well, including: rapid deployment, remote and mobile access, self-service capability, ease of report distribution, and vendor experience.



77% OF COMPANIES THAT EXCEL AT MANAGING THE TOTAL COST OF OWNERSHIP (TCO) OF ANALYTICS HAVE A PROCESS FOR AUTOMATICALLY REFRESHING AND DISTRIBUTING MANAGEMENT REPORTS⁴.

⁴ Peter Krensky, "Best-in-Class Reporting and Dashboards: The Workhorse of Analytics," Aberdeen Group, May 2014.

CONCLUSION

The hospitality industry has a lot to gain from analytics. In a business that's all about service, analytics can help you understand, motivate, and satisfy your customers better than ever before. That kind of business insight can help you increase repeat customers, encourage higher guest consumption, and increase revenue while keeping labor and inventory costs optimized.

Whether your business is large or small, the time to explore analytics solutions is now. Analytics solutions are available at a plethora of price points and at varying levels of complexity to meet the needs of different businesses. To encourage analytics adoption throughout your organization, carefully consider the factors listed in this guide, with particular attention to self-service and usability, ease of access, and the vendor's industry expertise.



**WHETHER YOUR
BUSINESS IS LARGE OR
SMALL, THE TIME TO
EXPLORE ANALYTICS
SOLUTIONS IS NOW.**

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ABOUT AGILYSYS

Agilysys is a leading developer and marketer of software-enabled solutions and services to the hospitality industry. The company specializes in next-generation point-of-sale, property management, inventory and procurement, workforce management, analytics, document management and mobile and wireless solutions. These solutions are designed to streamline operations, improve efficiency, increase guest recruitment and wallet share, enhance the guest experience and maximize revenue potential. Agilysys operates extensively throughout North America, Europe and Asia, with corporate services located in Alpharetta, GA, and offices in Singapore, Hong Kong and Malaysia. For more information, visit www.agilysys.com.

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