

# Business Intelligence: How Dashboards Drive Profitability

**Is your business running hot or cold? Check the dashboard.**

*By Cam Troutman, June 2007*

Hospitality companies are implementing business Intelligence (BI) systems at a rapid pace, with top performers including Starwood, Extended Stay America, Sage Hospitality, Ashford Hospitality, Merritt Hospitality, and Peabody Hotel Group relying heavily on the accurate data analysis for running their operations. BI systems set a magnifying glass over all areas of a company's performance management reporting and unlock the reasons behind the numbers. That insight helps hotel management maximize revenue, minimize expenses, and increase profitability with informed, data-rich decision making.

The term 'business intelligence' refers to a broad category of business management software applications and technologies for gathering, storing, analyzing and providing access to operating data that enables enterprise users to make better business decisions. BI applications encompass decision support, query and reporting, online analytical processing (OLAP), and data mining.

Now, the next generation of business intelligence is here. The newest BI tools take informed decision making to the next level with on-screen dashboards. Dashboards are flexible graphic displays that communicate complex information more quickly for rapid response to changes in performance. While traditional reporting uses cross tab spreadsheets that require line by line searches for specific information, dashboards enable quicker, more confident decision making by translating numerical information from multiple corporate systems into easily understood, visually rich presentations. Gauges, maps, charts and other graphical elements show multiple results in a visual format that frees managers from cumbersome hardcopy reports to save them time.

## **BI Dashboard – 'head's up display' of performance**

What makes hotel operators and management companies unique is how they direct their enterprises – every company establishes its own performance indicators to manage by. Business intelligence dashboards can display a customized data screen designed for each company which enables managers to focus on their own specific data set to guide their operation. Multi-property hotel groups gain the greatest value from executive dashboards because dashboards provide a 50,000-foot view of an entire hotel portfolio across regions, flags and segments – like a heads-up display of global operations. For example, underperforming properties or regions may come up red, others in green so executives can easily identify areas that require action. This type of clear graphic exception reporting is faster to use and more detailed than any previous technology and lets executives act instantly where necessary.

Among the top BI providers, Cognos Incorporated (NASDAQ: COGN) is the most widely used by hospitality companies, and Cognos' newest Version 8 release delivers powerful dashboarding capabilities. In our market, third-party hospitality specialists like Aptech Computer Systems have added their extensive knowledge of hotel related systems and operations to Cognos' business intelligence and corporate performance management solutions. This combination produces an application with world-class functionality and hospitality-specific interfaces and metrics. Some of Aptech's Execuvue licensees include Concord Hotels, Strand Development, Innkeepers Hospitality Management, Sandals Resorts, HI Development, Highpointe Hotel Corporation, ZMC Hotels, CHIP Hospitality and Dolce International.

What separates true BI systems from simple data-mining tools is their ability to gather and analyze data from many different systems. A true business intelligence system is a free-standing data warehouse that captures, standardizes, and stores information from separate applications for analysis, reporting, and graphic presentation and dashboards. In the hospitality industry, BI systems also access data from sources outside the enterprise like Smith Travel Research and PKF cost numbers, and combine them with in-house metrics like occupancy, budgets, guest satisfaction, labor expenses, and other measures to create a unified picture of a property's performance as well as its surrounding business environment.

With the introduction of business intelligence, dashboards hospitality companies have a tool to condense the stack of daily corporate reporting into a format that makes the most efficient use of an executive's time. It is simply a better, more effective way to leverage important operating data for faster decisions – and higher profits.

Cam Troutman is director of sales for Aptech Computer Systems.

**Dashboard Sample:**

**MTD KPIs - All Properties**

Last 12 Months	Actual	% Bud	% LY
Occ %	82.67	10.5%	4.4%
RevPAR	86,24	2.9%	2.6%
ADR	104.31	▼6.8%	▼1.8%

**Execuvue Dashboard**  
Data as of: 6/25/2007

**Current Assets - All Properties**

	As of Jun 07	Chg vs May 07
Cash	64,873,079	3,246,697
A/R	9,387,751	▼154,617
Inventories	1,207,574	▼17,266
Prepays	2,442,427	▼226,493
<b>Total</b>	<b>77,910,832</b>	<b>2,848,321</b>

**MTD STR Index - Top Properties**

Occ% Index	Value
1 Hampton Inn - Fox Chapel	140.65
2 Fairfield Inn - Marino	122.17
3 Embassy Suites - JR	120.88

**RevPAR Index**

Value	Property
328.9	1 Isla Vista Airport Marriott
270.3	2 W Gillette
234.7	3 Aptech Marriott Resort

**ADR Index**

Value	Property
300.3	1 Isla Vista Airport Marriott
245.0	2 W Gillette
202.0	3 Residence Inn - Nocash

**MTD Room Revenue - All Properties**

Last 12 Months	Actual	% Bud	% LY
Transient	10,621,434	2.4%	2.3%
Group	3,865,945	4.6%	3.1%
Contract	110,015	▼0.5%	▼0.1%
Other	21,775	▼47.2%	13.3%
<b>Total</b>	<b>14,619,169</b>	<b>2.9%</b>	<b>2.5%</b>

**MTD Labor - All Properties**

Actual	Target
Room Hours: 46,160	46,160
Food Hours: 22,739	22,739
Beverage Hours: 4,835	4,835

**MTD Operating Statement - All Properties**

	Actual	Var to Bud
<b>REVENUE</b>		
Rooms	14,619,169	418,457
Food and Beverage	3,540,460	-836,652
Other Op Dept	2,516,662	91,496
Rentals & Other Income	632,836	55,011
<b>Total Revenue</b>	<b>21,309,127</b>	<b>-271,688</b>
<b>DEPT EXPENSES</b>		
Rooms	-3,782,182	74,970
Food and Beverage	-2,882,349	335,976
Other Op Dept	-1,253,618	-22,306
<b>Total Dept Expenses</b>	<b>-7,918,148</b>	<b>388,640</b>
<b>Total Dept Income</b>	<b>13,390,978</b>	<b>116,953</b>
<b>UNDISTRIB OP EXP</b>		
Administration & General	-1,535,321	27,404
Sales and Marketing	-488,779	62,409
Property Op & Maint.	-942,034	45,610
Utilities	-730,396	181,633
<b>Total Undistrib Exp</b>	<b>-3,696,531</b>	<b>317,056</b>
<b>GOP</b>	<b>9,694,448</b>	<b>434,009</b>

**My Reports 2007**  
Entries: 1 - 20

Name	Actions
DB	More...
Financials	More...
Report Views	More...
Bal Sheet Drill	More...
Cost Occ with property prompt	More...
Daily Flash - All Properties	More...
Daily Flash with date prompt GBB	More...
Detailed Daily Flash	More...
Detailed Daily Flash - property prompt	More...
Expenses Drill	More...
Map - GL Cube	More...
Revenue Drill	More...
Room Revenue Report	More...
Room Revenue Report - poor	More...
States Drill Crosstab	More...
STR - ADR Index - Drill	More...
STR - KPI Index - DEI	More...
STR - Occ Index - Drill	More...
STR - RevPAR Index - Drill	More...
STR Trend - DEI	More...


**Hotel News Resource**  
Kingdom Hotel Investments Buys Two Raffles Hotels in Cambodia for US\$35 Million  
Asian Hospitality Leaders at Roundtable Call for Standardization of Services & Metrics  
IHG brings Crowne Plaza to the Algarve  
Growth via Merger-Darwin at Work - By Jerome Cedici and Robin Trehan  
Consumers Using the Internet to Research Travel Continue to Outnumber Those Booking Online  
Integration is King: See how successful travel companies have integrated their strategies, systems and campaigns to cut costs and boost profits  
Some booking fees melt in summer  
Travel sites court unmanaged business users  
Mattress Makers Go Modular to Help Cut Costs, Minimize Environmental Impact - By Glenn Hasek  
MK Capital Markets Secures Financing for The Navnigh  
Group's Acquisition of Reno-Sparks Holiday Inn Conversion  
[\(display all entries\)](#)

Dashboard Sample:

Cognos Connection
Event Studio Query Studio Analysis Studio Report Studio

Administrator [Log Off](#)
Tools Help

Operations STR TargetVue Public Folders My Folders



**May 1, 2007**

	MTD	
	Actuals	Budget
Occ %	81.3	75.9
ADR	89.52	97.58
RevPAR	72.82	74.03

**Revenues**

	Actuals	Budget
Room	3,345,716	3,401,114
Food	302,831	307,757
Beverage	87,232	88,597
Banquet	915,405	930,405
Other F&B	0	0
Total F&B	1,305,468	1,326,760
Telephone	89,044	90,556
Other	163,460	166,166
<b>Total Revenue</b>	<b>4,903,689</b>	<b>4,984,597</b>

**Dept. Profits**

	Actuals	Budget
Rooms	2,608,153	2,635,238
Food	(2,373)	(9,744)
Beverage	28,319	27,323
Banquet	720,188	727,658
Other F&B	11,336	11,673
Total F&B	757,470	756,910
Telephone	52,903	53,002
Other	94,001	94,307
<b>Total Profits</b>	<b>3,512,526</b>	<b>3,539,457</b>

**Undistributed Expenses**

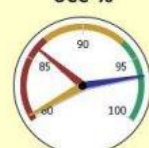
Admin & General	(24,920)	(25,776)
Credit Card Commission	(69,847)	(72,489)
Franchise Fees	(179,644)	(186,359)
Advertising & Sales	(18,205)	(18,773)
Repairs & Maintenance	(120,890)	(125,645)
Utilities	(145,666)	(151,360)
Total Deducts from Income	(559,172)	(580,401)
<b>House Profit</b>	<b>2,953,354</b>	<b>2,959,056</b>

**Fixed Expenses**

Insurance & Taxes	(243,309)	(252,693)
Interest Expense	(361,774)	(375,393)
Leases & Commissions	(30,363)	(31,563)
Depreciation & Amortization	(300,459)	(311,876)
Other Deductions	(9,032)	(9,370)
Other Partnership Expenses	(218)	(225)
<b>Net Operating Profit</b>	<b>2,008,201</b>	<b>1,977,936</b>

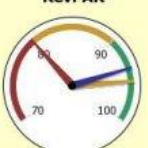
[Run Earnings Statement](#)

**OCC %**



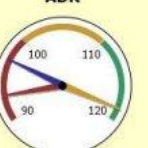
Actuals Budget Last Year

**RevPAR**




Actuals Budget Last Year

**ADR**



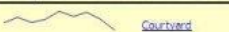
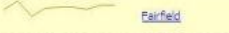
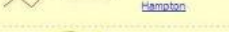

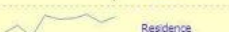


Actuals Budget Last Year

All Properties



Occ % RevPAR ADR

Cost per Occ Room - Last 9 months

 Courtward	20.08	24.60	19.19	22.89	31.35	25.38	29.71	22.65	12.04
 Fairfield	21.72	29.63	15.25	22.48	23.80	23.42	22.01	25.10	25.63
 Hampton	15.01	24.76	14.52	26.15	29.23	22.95	23.51	21.47	28.05
 Independent	29.01	28.64	26.51	39.66	47.83	48.73	38.36	46.57	21.25
 Radisson	27.82	27.86	25.45	23.91	25.02	25.12	26.38	23.89	2.05
 Residence	10.96	17.87	7.81	27.44	23.56	24.44	28.67	20.83	25.48
 Springhill	37.68	41.95	36.29	21.13	24.84	25.75	21.37	25.78	28.75

My Reports

Entries: 1 - 14

Name	Actions
Custom Exception Highlighting	More...
Custom Exception Highlighting test	More...
Daily Operational Report	More...
Daily Operational Report2	More...
Declining Balance Departmental Expenses	More...
Earnings Statement	More...
Earnings Statement 2	More...
Earnings Statement KAG	More...
Flash with Date Selection	More...
Property Selection Flash	More...
Revenue Flash with Date Selection	More...
Sparkline - CostOcc	More...
STR Indexes Line Graph - Print	More...
Trend Report - Occ, RevPAR, ADR combo with Header	More...

Hotel News Resource

[Wyndham Worldwide Reports Strong First Quarter 2007 Results](#)

[Travelers Are Actually Getting a Decent Night's Sleep While on the Road](#)

[Sale of Sheraton Hotel Oklahoma City Arranged by Molnar-Kooper](#)

[Shangri-La 2007 with a Bumper First Quarter - UK Chain Hotels Market Review - March 2007](#)

[The Lodge Hotel](#)

[Dubai Tipped To Overtake Florida As The World's Number One Vacation Ownership Market](#)

[Kempinski To Manage Hotel In Crete](#)

[IHG UK Opens 11 New Holiday Inns Under Mass Conversion Agreement](#)

[Wyndham Vacation Ownership Introduces Wyndham Brand to Sevierville, TN](#)

[Hilton Reports Strong First Quarter 2007 Results](#)

[\(display all entries\)](#)

**AccuWeather.com**

Pittsburgh, PA


Currently: Cloudy  
RealFeel®: 78°F  
Winds: SE at 5 mph

71°F

Hourly Extended Forecast

<p>Today: 77° / 62° A couple of thunderstorms</p> <p>Thursday: 69° / 41° Mainly clear</p>	<p>Tomorrow: 67° / 42° Clear</p> <p>Friday: 69° / 42° Clear</p>
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Radar



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