



Modernizing Hotel Accounting: A How-To Kit

2021

Automation

Integration

Centralization

MODERN HOSPITALITY ACCOUNTING

Contemporary hotel finance operations continue to advance - moving beyond spreadsheets and redundant manual processes. Automation can now streamline cash management and reconciliation, credit card reconciliation, tip/gratuuity payroll, and group billing.

As hotel accounting teams continue to become leaner and leaner, hospitality finance leaders regularly look for strategies to tackle multiple operational tasks despite less personnel.

How can hospitality finance teams accomplish daily and monthly tasks even with fewer human resources?

The answer lies in automation, integration, and centralization. By leveraging technology, these finance teams benefit

from digital-based systems replacing manual processes. This allows finance teams to do more with less and ultimately focus on more value-add tasks.

Traditionally hotels have relied on numerous spreadsheets, which contain an average error rate of 90% according to research from PWC and the University of Hawaii, and repetitive daily processes. This reliance can be eliminated with automation.



AUTOMATION

Automations adds efficiency and cost effectiveness to accounting processes by incorporating robotics and software into tasks – particularly repetitive, time-consuming actions that are not customer-facing.

By managing cash, tip and gratuity distribution, credit card transactions, and group billing through the cloud, tasks like payroll, auditing, and reconciliation become automatic. Automated accounting eliminates spreadsheets that result in error-prone and time-consuming manual comparison.



Cash Recycling & Reconciliation streamlines cash management.



For example, with automated cash counting and reconciliation, robotic cash recyclers can issue cash to cashiers, facilitate 24/7 change buying, and secure and verify deposits. This eliminates opportunity for error-prone cash counting, a task typically completed by the general cashier role.

Automation can reinvent a legacy process like cash management – reducing it down to just minutes a day.

Automation

According to Forbes, in 2021, automation is one of the top 15 tools hospitality should leverage internally - including for payment operations.

INTEGRATION

Integration allows for multiple systems to work in parallel. This system integration empowers hotels to do more with less.

Hotels are consistently challenged with running many systems and simultaneously managing their business. Accounting must oversee and reconcile all of these individual systems.

Integration streamlines the efforts of individual systems working toward a common accounting goal (i.e., reconciling and closing the day).



Particularly amidst a move to centralization, maintaining a reliable flow of data is vital. Technology that can streamline accounting processes must be able to work across all systems (POS, PMS, etc.) and also integrate with the accounting systems, including the general ledger.

In a modern hotel, integrated systems should do the work for the accounting team – not the other way around.

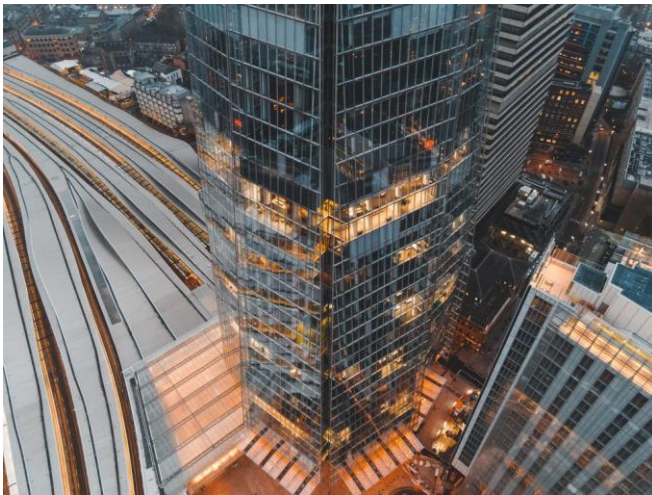
Integration In a study conducted by Deloitte involving 13 hotel brands, hospitality will continue to trend toward increased integration in 2021.

CENTRALIZATION & CLUSTERING

Clustering resources to facilitate centralization empowers hotels to function with minimal key resources and technology while centralizing all other aspects of technology.

As hotels around the world operate at smaller staff levels and simultaneously work to reduce costs to increase profitability, the trend toward centralized accounting resources has only progressed.

To stay competitive, centralization is key.



By leveraging technology, clustering the accounting operations of several hotel properties to a single physical accounting office is now possible, enabling one accounting team to manage transactions at multiple hotels. This strategy can be applied by city, region, country, or a shared services center approach – allowing hotel accounting teams to truly scale their resources.

This efficiency can increase standardization and reduce labor and cost, making continued success and recovery possible.

Centralization

As highlighted in the Wall Street Journal, 55% of companies opt for shared services as a way to centralize to effectively lower costs and more than 30% of companies leverage shared services for flexible staffing purposes.



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