

INDUSTRY UPDATE

OPINION ARTICLE

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Unlocking the hidden savings in your hotel

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In these undeniably challenging times, hotels look to do more with less. The pandemic transformed ways of working across many industries, and digitisation or "digital transformation" is often advocated as the way forward to help hospitality weather the storm and become stronger in the long-term. But what do these buzzwords mean for hotels, and what financial benefits can they deliver?



Avoid the trap of digital silos

At a basic level, digitisation is about implementing a system, for example to make a process electronic rather than paper-based, making it easier to retrieve information and collaborate.

While most hotels are already well engaged in this, too often their approach has resulted in separate systems in each department or process, with almost no communication between silos: Property Management Systems, F&B, Sales & Events systems, Accounting, Housekeeping, Payroll, HR processes, paperwork, emails...

We have also seen many cases where an existing process is simply reproduced in an electronic system, without cutting unnecessary steps or automating manual tasks, making a bad process electronic. With now affordable and smarter rules-based technology, this is not only a wasted opportunity - but also a recipe for long-term inefficiency, passed on to the future generation of hospitality professionals!

At this point, it is important to focus on better integration and collaboration across all teams to solve problems faster - no matter the origin of information. Going digital is absolutely the way forward to ensure agility and resilience to face any future business disruptions. But with tight budgets, it is important to invest in a discerning way.

When the top-line is evasive... look at the overheads

When it comes to hotel digitisation, the customer-facing and revenue-aligned tech often receives the most attention: booking management, revenue management, contactless check-in... However, with current average occupancy rates at 10% or lower, these are tough times to grow top-line revenues.

So now is the right moment to focus on savings and *efficiencies in the back-office*: automate and share manual tasks, improve cross-department collaboration, reduce current and future risks and overheads, to maximise the bottom-line. The good news? With the latest cloud technology, it can be done with minimal investment, for benefits and return on investment that you will see within a few months - and will continue reaping for the long-term.

Concrete \$\$\$ savings in the back-office

Digitisation helps accelerate certain processes and save time for staff, but it is still often seen as an expense/investment. Using some [real-life examples](#) from my experience at DocMX, I would like to demonstrate how digitisation can significantly improve margins in the short term, save time and while enabling seamless collaboration.

Accounts Payable is a good example. Processing invoices is typically a labour-intensive process involving every department within a property. This requires manual keying-in of information, retrieving signed-off purchase orders, reconciling with the proof of delivery and investigating potential mismatches. This process can be time-consuming and impactful for every department manager within a property.

Hilton Australia were able to *automate up to 70% of their Accounts Payable* volume using our DocMX solution: with Ai recognition, invoices are automatically 3-way matched, reconciled with information from various sources, auto coded, then sent directly into the group's accounting system. In case of issues or discrepancies, managers are presented with supporting information to quickly resolve the variance.

In concrete financial terms, DocMX automation technology allows properties to allocate one finance staff member to service 3 properties, and even more in case of smaller properties. This sharing of resources can conservatively deliver *savings of \$60,000 per year across 3 properties, or \$300,000 over 5 years*. Hilton expanded their Shared Services to help streamline other processes like Accounts Receivable, Revenue Audits, General Ledger and aspects of HR & Payroll across all their Australian properties, representing exponential savings.

Get back time and save \$42,000 every year, simply by automating daily audits

Legal and internal policy requirements mandate many daily audit and reconciliation processes. We have analysed market-leading property management systems and seen an average Night Pack output reaching 900 pages per day, requiring printing copies for reconciliation and approvals across different departments. For example, a master report from an F&B system may include hundreds of transactions, with managers having to review and reconcile signatures, dockets, electronic forms, emails, guest registrations... before approving the report. Multiply this by 20 to include all other financial reports, and you see why this is a massive administrative burden!

DocMX streamlines processes of this nature, automatically pulling data from different sources, presenting the supporting information to each transaction, and storing it for later use by internal and external auditors. [Revenue audit automation](#) is our customers' favorite DocMX solution, implemented at countless IHG, Marriott, Hilton and other smaller hotels.

Considering printing savings and an average 40h saved every week on admin work for the management, our customers estimate that they *save* \$42,000 per year, just automating the Night Pack process.

Future-proof operations for a 3-month ROI that will keep on giving

Another upside for our customers is that their teams can collaborate more flexibly - from different locations, or even from home when the pandemic struck. As explained by Diogo Gaspar, Auditor at InterContinental Hotels: "*With DocMX I was able to do all my job functions at home during the Covid-19 social distancing period: I can simply login and audit/approve the automated documents within the system.*" This also means more flexible and rewarding work conditions going forward, in line with other industries.

Ultimately, our customers have seen return on their investment within 3-6 months, every single time. Because such cloud-based technology is user-friendly and simply accessed in the browser, it does not require much user training or implementation efforts from internal IT teams. Additionally, Software as a Service is an affordable pricing model that spreads costs over several years, with monthly payments below \$500.

With a quick turnaround you can be up and running with digitised operations within a few weeks - everything ticking like clockwork, ready for your guests to return.

Aaron Belton

Aaron Belton is the Global Head of Travel & Hospitality at DocMX. He has over 20 years of first-hand experience working hand in hand with hospitality professionals to streamline operations in Asia, Oceania and Europe. Currently based in London, Aaron leads the DocMX digital transformations team, driving efficiencies and tangible savings to hotels affected by the pandemic.



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