

The Real Hotel Company plc

The Real Hotel Company plc is one of Europe's leading hotel chains. In the UK it operates 35 properties under the Clarion, Sleep Inn, Comfort Inn and Quality brands, catering for a broad range of customer from budget traveller through to the person that demands luxury, four star accommodation. In business since 1986, the company currently generates revenue of £75 million and is publicly listed on the London based FTSE.

Business Challenge

The hotel and leisure sector is extremely challenging. Operators have to maximise the yield from each establishment. This is not limited to room occupancy but also covers activities like restaurant and bar sales, conference, business and leisure facilities. Each is considered a revenue opportunity but there are many factors that influence opportunities to maximise revenue. At the same time, it is vital that operators balance demand against associated costs so as to optimise profitability. This is never easy and operators rely on seasoned management that have local experience to achieve corporate goals. The Real Hotel Company's systems were not up to the challenge of running a modern hotel portfolio and the company realised that devolving day to day management responsibility was of little use unless local managers and their staff had a degree of control over the assets they manage.

At the same time The Real Hotel Company needed to maintain central control because senior management needed a way of readily understanding performance while remaining alert for anomalies or deviation from standard practices. Part of the key to executing on this strategy requires that both local and central management see the same information in as close to real-time as possible. David Cook, Financial Director explains: "We need detailed metrics across a range of activities. Such things

as accommodation booked by corporate, general leisure and agents each have different price structures and we want to see how the sales mix can be influenced. Our old systems could not readily provide this level of information."

In addition, The Real Hotel Company wanted to make local accountability a reality. The Real Hotel Company prides itself on providing its management with industry leading training but maximising the fruits of this investment requires that managers have information readily to hand. "If managers are to be accountable then we need to give them information ownership," says Cook. But this is not always possible and so variations on how the business is managed needed to be taken into consideration. "The ideal is to have self-accounting hotels but inevitably there is a mix that includes smaller properties that cannot justify on-site accounting staff. In these circumstances, we need to manage centrally," says Cook.

The Solution

Following a detailed evaluation, The Real Hotel Company opted for Microsoft® Business Solutions NAV™ using Microsoft's Terminal Services with software and implementation services being provided by [TVision Technology](#). Terminal Services provides an efficient way of connecting multiple, remote sites to a central control centre.



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David Cook, Managing Director, The Real Hotel Company plc



“As far as I am aware, with 40 units, this is the UK’s largest rollout of this product combination to date,” says Richard Thompson of TVision. “It was a challenging project because The Real Hotel Company not only had a demanding implementation schedule but were also looking for a highly flexible solution.” Cook notes that success depends on having the right partner and in this context found that: “TVision has proven itself to be a good fit for our business – they understood what we needed early on and this ensured the project completed within the agreed timeframe.”

In order to ensure that the project went smoothly, The Real Hotel Company embarked on a comprehensive training programme but was careful to ensure that the way training was offered not only made best use of the company’s resources but was also in line with project objectives: “You have to be patient and attract user interest. Once users see that they enjoy a measure of direct control over their activities then they not only see how they are accountable but also become much more willing to adopt the new system.”

The Benefits

Cook cites a range of high impact benefits that were almost immediate. “We wanted speed and accuracy of analysis and we quickly achieved it.” Cook cites issues like payroll comparison for front of house operations as a key metric the company needed to understand. “We used to have to contact the hotels by phone – now it’s available on the desktop.” Elsewhere, central purchasing is able to see buying patterns and is therefore able to start considering how to consolidate suppliers as part of a strategy to drive down cost. At the same time, this has allowed Purchasing to see how hotels are performing and spot when managers are not following procedures: “We need to maximise our potential for achieving discounts so it is important to enforce our standards. This system allows us to do that,” notes Cook. In addition, the company reports significant savings as a direct result of its ability to provide management autonomy: “Entering invoices directly into the system as they are received, either locally or at head office is so much more efficient than the old batch processing method,” says Cook. But most important is the fact the company now operates from a ‘single version of the truth’ while ensuring there is flexibility. This means that as the company’s needs change, the system can adapt accordingly.

The Future

This has been a highly successful project that has produced a great result and there is, I am sure, more to come,” says Thompson. Cook is more than satisfied with the implementation but is aware the company has the potential to get much more out of the system. “We have achieved a lot in a short space of time but I am aware we’re only using a fraction of Microsoft Dynamics NAV’s potential. I want for instance to move to graphical reporting as this is much easier for business line managers.” Further down the road, The Real Hotel Company hopes to not only achieve greater insights into operations but also further improve its buying and procurement operations: “I’d like to take advantage of our international status to encourage group buying. Microsoft Dynamics NAV’s systems can cope with this.”



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**David Cook, Managing Director,
The Real Hotel Company plc**

For more detailed information on how the The Real Hotel Company project was managed and delivered, or for more information on how TVision can support your own project, please feel free to contact Sales on 01932 242001

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