

FOCUS**ED**

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- ▶ Conquering Data Overload
- ▶ Using Big Data to Get Big Results
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- ▶ Learning to Share
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Volume 15 | Issue 2

APPLIED **DATA**

***Gives you
the***

POWER

to succeed!

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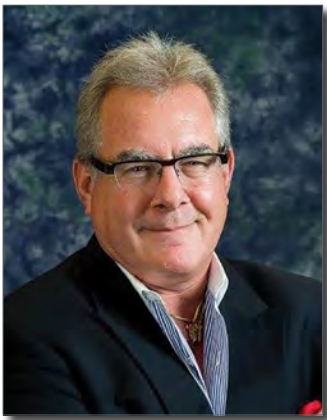
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CONQUERING DATA OVERLOAD



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Everywhere one looks, data is being looked at, discussed and manipulated. Whether it's data warehousing, data integration, or conversations about what data should be collected, data is an all-consuming topic in today's information environment.

As systems become more sophisticated and can report real-time information, the amount of available data goes up exponentially. It reminds me of the third stanza of Tennyson's poem, "The Charge of the Light Brigade," with a little literary latitude:

*Numbers to the right of them,
Statistics to the left of them,
Comparatives in front of them,
Swirled and flashed,
Rushed at them in waves.
Boldly they stood multiplying and dividing,
Into the jaws of benchmarking
Rode the marketers, the accountants,
And the social media teams*

Seriously, though, how can one possibly analyze all of the information that is available today? And if one could, at what cost?

When I first entered the business world, there was far less data and we accessed it less frequently. Daily hours were manually calculated from a Simplex Clock time card. We had to go to the time card rack if we wanted to know which employees were punched in. A monthly Profit and Loss review coupled with daily quality inspections and some intermediate productivity data were the standards of the day. Now, we're confronted



with business intelligence of all sorts, and data is available throughout the day in smaller and smaller increments. It's both overwhelming and, at times, of questionable usefulness.

Further, much of the information we look at is one-dimensional. Most organizations look at guest/customer perception data, but rarely as it relates to causal information. It's a little like a student who takes a test and scores an 84 overall, but never bothers to review each response to better understand his or her areas of strength and weaknesses – or only looks at the individual responses if the score was below expectations.

Too often we do the same thing

in business, whether it's because we're not sure what else to look at, we don't have the time, or there is just too much other data to consider. We might look at guest satisfaction ratings, for instance, but not review each response along with other metrics to accurately assess what caused the rating.

The goal is to get the most out of the data available. Consider a restaurant meal rating, then think about all of the aspects of the meal that could have impacted that rating. The list might look somewhat like this:

- ☐ Accuracy of the initial forecast that drives all of the planning (food, labor)
- ☐ Attitude of each staff member (level of engagement)
- ☐ Amount of service staff in place at the time guest wanted service
- ☐ Proper kitchen staff
- ☐ Food prepared to the exact specification, including portion size
- ☐ Cleanliness of operations
- ☐ Accuracy of the order
- ☐ Timely service delivery of each course

To help the business continually improve, then, requires understanding the cause-and-effect relationships of the data/information that's being analyzed.

Furthermore, it's important to look at relative results and not only absolutes when analyzing data. Take the example of two 250-room hotels, both with basically the same layout. If Hotel A has an 82% occupancy and Hotel B has a 70% occupancy, it is highly probable that the room

operations will be more productive in Hotel A compared to Hotel B. Therefore, Hotel A gets rewarded based on absolute results.

Things look a bit different, however, if one views results in relation to actual labor requirements. Say Hotel A is achieving 1.15 hours/room on a requirement of 1.05 hours/room and Hotel B is achieving 1.22 hours/room on a requirement of 1.20 hours/room. This would suggest that Hotel B's productivity performance is better than Hotel A's and should have been rewarded. A simple analysis in relation to potential, then, can change the performance assessment.

Just about every data point that is used to assess results can be analyzed in relation to potential or opportunity. And while there are some absolutes, in most cases it is relative analysis that will drive overall better performance.

An important question to ask when dealing with today's constant barrage of data is, "so what?" Can a particular piece of information be applied to an organization's improvement efforts? And if so, how often is it needed – hourly, daily, weekly, monthly? Businesses too often spend far too much effort analyzing data that yields little real intelligence when they should be focusing on actionable knowledge that can strengthen and improve their business.

Organizations need to understand clearly what they are trying to achieve and then design the needs and analytical approaches they will use to meet those defined goals. It's this information in relation to a comparative parameter (which can come from inside or outside the organization) that really tells the story. But one thing is clear: Too much data can be a greater hindrance to decision-making than not enough. Finding the right balance is what gets the best results.



Hope you all enjoy our latest edition of FocusED.

Best regards,

Mark



By Barry Kaplan
Sr. Vice President of Human Resources and
Organizational Development, UniFocus

Did you know that 51% of today's U.S. workforce is not engaged? When employees are engaged, businesses realize a 41% reduction in absenteeism and a 17% increase in productivity. Turnover is also much lower – anywhere from 24%-59% lower.¹

Experts and studies show there is a direct correlation between employee engagement and organizational profitability and performance. According to Gallup, “Engaged employees are more present and productive; they are more attuned to the needs of customers....When taken together, the behaviors of highly engaged business units result in 21% greater profitability... and achieve a 10% increase in customer metrics and a 20% increase in sales.”¹

So, what can you do to increase your employee engagement and, ultimately, your bottom line? One way is to use and share data in the form of direct feedback from surveys, and by providing data to managers/employees that gives them the tools they need to do their job better and, thus, improve guest satisfaction.

In April 2017, UniFocus held a Partners Conference to gain insight into the evolving hospitality industry. Through discussions on managing multiple generations, the complexities of schedules and laws, and how technology is changing the industry, some of their insights into using data to improve employee engagement emerged.

The Impact of Feedback

Studies have shown that when employees receive consistent feedback, especially about their strengths, they are more engaged. And, it begins with collecting feedback more frequently. The day of the annual performance review is

long gone. When done in the right way, tracking, analyzing, and sharing employee performance metrics can be beneficial for both you and your staff, as the ability to analyze real-time information, boil it down into performance data, and then provide employees with reports from that data is very powerful. Applying data analytics to your employees' performance also helps you identify and acknowledge not only the top performers, but the struggling or unhappy workers, as well. If you want your team to be more engaged, you have to find out what motivates them and identify their main engagement drivers. In other words, collect the data, analyze the data, and then implement a measurable strategy.

Several partners at the conference made the point that getting feedback from employees is crucial because managers have to manage the needs of the operation with the needs of these employees. Being able to identify an employee's preferences in regards to time off and their work-life balance, allows them to better match employees' labor needs to the organization's needs for providing quality service.

One partner at the conference noted that he wants to know how employees are doing, hundreds of times in a year. “We believe having that information enables our HR teams to get to pockets of issues more quickly. We don't want to use the information to isolate a specific issue with a specific person; we want to know where systemically we have a challenge. We think the only way we can get there in a timely way is to get more feedback, more quickly.”

Empowering With Data

Another powerful component of increased employee engagement revolves around getting actionable data into the hands of employees.

¹Gallup, State of the American Workplace, 2017

Providing employees with data to do their job better is very motivating. According to another partner, the key to growth within the organization lies in empowering team members with data to make decisions on their own and then providing opportunities for them to lead projects. This allows them to grow from their failures and successes. Another partner agreed saying, “Information is power and our young leaders know and

getting better data in front of our managers so they can make better decisions.”

One company integrated all their systems and wrapped the data around their financial metrics. Then they put that information into the hands of their managers. Sharing that data meant that their managers had better optics into making sure they had the right number of people serving the right number of guests at the right time.



“There’s also a concentrated effort on the HR side encouraging employees to take a more proactive role in managing their own identity from a benefit standpoint. Things such as online interactivity for benefits, enrollment, transparency in benefit accruals and allowing employees to get payroll information online and not have to wait for a paystub, are some of the ways to further empower employees,” added another partner.

As shown by studies and personal accounts from industry executives, collecting and dispersing data can have a huge impact on employee engagement. Increased employee engagement means higher customer satisfaction scores, and ultimately an overall increase in your bottom line!

understand that. They want access to the same information as the most senior levels so they can play as well. We have to do a better job of

About the Author

Barry Kaplan, Sr. Vice President of Human Resources and Organizational Development at UniFocus. Barry has overseen UniFocus’ Human Resources and Organizational Development activities since joining the company in 2011, bringing 25 years of leadership experience.

Barry previously worked as director of training with the Heymann Group before leaving to lead HR and OD improvement activities in the Americas, Europe, Asia and Australia. During his absence, he also worked at Bowstreet Inc., and Groove networks prior to managing the Global Training Development efforts at Symantec.

An eight-year veteran of the U.S. Navy, and winner of the prestigious Navy Achievement Medal, Barry received his M.A. in Adult Learning/Continuing Education from the University of Phoenix and is a member of the Society for Human Resource Management.



Case Study:

Real Results

Best Western Hotels & Resorts has successfully beta-tested UniFocus' Pulse Survey solution in a group of its North American hotels to understand the impact of hotel employee engagement on guest satisfaction. Working collaboratively with a group of their independently owned and operated hotels, they gained a valuable new metric to quantify the value of hotel employee engagement. That benefit became clear when UniFocus shared aggregated summarized survey results that Best Western was able to compare with brand-level guest satisfaction data. The results revealed a 0.4 correlation between hotel employee engagement index scores and guests' intent to recommend the hotel to other travelers. Therefore, a 10-percent increase in engagement could reasonably result in a four-percent increase in intent to recommend, generating two to three additional rooms per night. Based on average occupancy rates and ADR at the participating hotels, that would translate into an additional \$70-\$100k in annual room revenue.

"We are constantly striving to increase engagement because we know that a motivated, satisfied workforce is essential to delivering excellent guest service. UniFocus' Pulse Survey gives us an important tool to measure that engagement," said Ron Pohl, Best Western

Hotels & Resorts' Senior Vice President and Chief Operations Officer. "Projections based on results of our first Pulse Survey have been enlightening and we anticipate that further analysis will corroborate these findings."

In addition, UniFocus partnered directly with participating hotels to provide them individual results. Each hotel received a detailed report showing its unique strengths and opportunity areas, in addition to an action planning tool to help plan, track, and improve employee engagement. Best Western Hotels & Resorts has made the opportunity to work with UniFocus available to all Best Western properties in North America to help each hotel improve guest satisfaction results. Unobtrusive Pulse Surveys track engagement throughout the year, giving organizations instant insight into their employees' perceptions that directly impact the guest experience. After extensive research, UniFocus has formulated a short pulse survey for staff to express opinions, enabling management to get to the heart of their concerns. Brief surveys conducted via mobile app are convenient and quick for employees, encouraging better response rates. Managers can compare results against company, property, division, or department averages and identify those departments that need immediate attention.



Data

**Everyone has it,
but what do you
do with it?**

By David Phillips
EVP Business Development, UniFocus

Big data: A very large set of data that can reveal trends. It's often external data such as weather, traffic and social media. Literally speaking, big data refers to the large amounts of data generated in today's technology driven world. When people refer to big data, they are talking about the process of collecting, processing, analyzing, and delivering data (as information).

To succeed in a competitive industry and stand out in the crowd, forward-looking companies need to harness data and analytics to help them make smart decisions about which initiatives to adopt based on ROI.

Specifically, travel and hospitality-related companies must create memorable experiences for their guests to be successful. This ability is absolutely essential to achieve a winning edge. After all, a competitor may be just across the street. It's not sufficient to be "good enough" — to flourish, a hotel/restaurant/casino must be great.

To gain that edge, it makes sense to dip into the vast resources of big data, which has demonstrated the capacity to make more informed and timely predictions about market trends, save money, boost efficiency, and improve decision-making. Convincing everyone that sharing information is a good thing can prove a challenge. However, when information flows freely, businesses can flourish.

Ways to use Big Data

Better Forecasting

Advances in predictive analytics means that hotels can gain valuable insights for hotel management strategy by using past booking trends to predict future occupancy, all while taking into consideration seasonal events that can affect occupancy.

For example, if hotels knew flight arrivals/departures from their city several months in advance or were plugged in to the train and bus system APIs to understand how many people would be arriving to their city, they could better predict changes in demand.

Currency changes can also be used to predict demand. If a certain percentage of guests regularly come from

Japan and the value of the Japanese yen is dropping, one could predict fewer Japanese visitors in advance and allocate rooms and marketing elsewhere.

The list of available forecasting data that can influence demand includes weather, destination marketing organization, traffic patterns, and event ticket sales to a local sporting event. The point is, there are countless big data sets that can and should be tapped into to increase the accuracy of demand forecasting and the resultant adjustments that can be made.

Better Yield Management

Yield-management in the hotel industry revolves around pricing rooms to ensure they are offered for the optimal price. For restaurants, yield management is about filling available seats. Optimal results must take into account peak times and off-peak times, as well as weather, local events, and seasonal activities.

The advent of travel review sites such as Yelp and TripAdvisor, as well as social media, have given companies a vast amount of insight into consumer likes and dislikes. Add to this a company's own massive data reserves from CRMs and loyalty programs, and you've got a great idea on the right price-value combination for your customers.

Better Expense Management

Using big data to accurately forecast means that companies are able to minimize the over- and under-scheduling of their staff to optimize labor and still drive the guest experience. Food costs can be controlled better, and operating costs can be reduced by saving on utilities and by planning such things as renovations, during off-peak times. In other words, data can be used to fine-tune operations and increase the bottom line.

Better Customer Satisfaction

Hospitality-related industries can use data to create greater customer satisfaction and an increased intent to return by creating unforgettable experiences for their guests. For example, with the help of user-friendly dashboards, front desk personnel can provide a customized experience and specific recommendations to customers as they check in, leveraging in-house and social media data to give employees better insight into what customers want. Maintenance employees carrying smart phones can be alerted to customer needs right away.

Restaurants with menus that cater to their specific demographics are more apt to have repeat customers. For instance, knowing that a majority of customers for the lunch-crowd are business people who want to get in and out quickly suggests different menu options than a dinner menu for the leisure crowd. And, knowing past eating patterns and social media updates of repeat clients means the server can make pertinent recommendations.

Better Marketing Effectiveness

By knowing the demographics, interests, and potential spend of guests, hotels can predict how to promote

and price their revenue centers such as spa treatments, golf tee times, shows, and entertainment options. For example, does a customer visit the spa every time she stays? Offer her a complementary massage with her next multi-night booking. Does the businessman love to play golf? Give him a coupon for the Pro Shop.

The opportunity to know customers rather than just understand segments of the customer base, means brands can foster deeper connections and encourage loyalty and long-term relationships. And don't forget about the design and usability of your website; an optimized site (especially for mobile) can put you ahead of your competition.

There's no doubt that big data is making the hospitality industry better, both from the guests' perspective and as a business. By creating new ways to interact with customers and figuring out what they want, marketing effectiveness and increased customer satisfaction has been greatly improved. big data has also made operations more efficient. The data is there; it just needs to be put to work. Companies that fully leverage it will gain a significant competitive edge.

Access to data is great, but unless you have actionable intelligence, it's just data.

About the Author

David Phillips, EVP Business Development at UniFocus, has almost 30 years of experience in driving company growth through HCM/PR analysis for clients. His expertise is in business process flow analysis, based on industry benchmarks, in Workforce Management/HCM/PR/Time and Labor. He has thorough experience directing implementation and in project management, and assurance of meeting client expectations while staying within budget. David earned his Bachelor of Science in Management and Accounting from Central Connecticut State University.



Learning



to **SHARE**
Not just for kids anymore!



Ken Heymann
COO, UniFocus

If knowledge is power, most hotel managers don't have enough. In more than 30 years in the hospitality business, I have learned that giving department heads better information makes them better managers.

And the best information is the information they can access on their own, not information contained in a report that may or may not be produced regularly by the accounting staff. But, for many organizations, managers have access to financial data on a monthly, perhaps weekly, basis with little access to operational information with sufficient frequency.

Years ago, management consultants talked about the importance of a Management Information System (MIS). An MIS is, simply, a computer system designed to deliver information to all levels of management in order to help an organization function. With the amount of information available today, effective MIS tools are readily available. Yet, many management systems do not deliver information frequently enough or widely enough to satisfy the information needs of today's managers.

UNIFOCUS

So we want to assert two key aspects of a good system:

1. All managers should have access to information via their desktop or mobile devices.
2. The information should be the same for all.

In other words, what the department head sees should be the same as what the director sees...as what the GM sees...as what the Regional VP sees. From an operational perspective, the most important information to see is the daily forecast, daily labor plan, and yesterday's operational results. A good MIS will provide this information.

The Daily Forecast should be the most recent prediction of room, guests, covers, etc. While revenue forecasts are essential for financial planning, operations people clean rooms and serve guests. They need to know how many want to be served. It is not sufficient to use the monthly forecast to plan for the day. The operations forecast must include the most current anticipated volumes.

Managers should be able to easily change their schedules based on revised forecasts and agreed to labor standards, where feasible, and be in a position to communicate those changes via updates or mobile communications. With these basic pieces of information, changes can be communicated rapidly and widely.

The manager also needs to have information about what transpired yesterday. How many rooms were occupied? How many covers were served? How much labor did we expend to service those customers? How much should we have spent? Was the service up to our standards? What feedback do we have from those guests who ate in our restaurant or slept in our hotel?



This set of questions can be answered fairly simply and should be accessible through a dashboard or report that, again, is immediately available to the manager.



While the data needs to be available on a daily basis, it is just as important that the manager be able to see the data displayed over a period of several days, or weeks. While any single day may be particularly successful with high guest satisfaction and good productivity, or unsuccessful if the reverse is true, the ability to look at the information over a period of time helps the individual and organization move from reporting results to analyzing results and trends.

Thus, the data should be available in graphic and table format, and depicted in a manner which is easy to understand. Too often, organizations produce information that is difficult to view and understand. Reporting should be crisp and easy to read with key results highlighted.

By providing core operational information and disseminating it widely via technology, all levels in an organization are better equipped to have an intelligent conversation about the essential components of day-to-day performance.

The technology and information is available; it's just a matter of providing it to everyone who needs it to ensure that managers have the knowledge to manage performance effectively.

About the Author

A 30-year hospitality industry veteran, Ken Heymann oversees all business operations at UniFocus. He is an expert on organizational development, change, and quality management. Ken has contributed to such industry publications as The Cornell Hospitality Quarterly, The Bottom line, Lodging Hospitality, and Hospitality Technology. He authored a chapter on Managing Change in Leadership and Quality Management, published by the Educational Institute of the AH&LA. He is the former chairman of the Board of Governors of the College of Merchandising, Hospitality, and Tourism at the University of North Texas and has taught at UNT as an adjunct faculty member.

Sharing Data SECURELY

Measurable metrics are a key element of goal setting and success. However, the days of simply using sales revenue or customer satisfaction ratings to determine success are gone. Today's technology and tools allow us to collect a lot of "big" data, which can then be analyzed in a multitude of ways and turned into meaningful metrics. But with so much data from so many different systems, finding the data that enables improvement can be like finding a needle in a haystack...from multiple barns. Where do you start?



By Ankita Gupta



Ankita Gupta
Sr. Analyst,
J.P. Morgan

Enter the Cloud!

First, you need a way to collect and store the data. The cloud has become a preferred option for hosting/storing big data because of the huge storage space available and the reduction in infrastructure costs due to third party hosting. The combination of big data, the cloud, and advanced tools has enabled organizations to marry data from different sources, which brings in new perspectives and new opportunities. For example, hotels can use past customer behavior to provide more customized experiences and more targeted offerings, leading to increased loyalty and revenue. This wealth of data, and the tools that help you interpret it, can help you fine tune your organization and ultimately increase your bottom line.

But, every new technology has its challenges and the cloud is no different. While third party hosting is one of the cloud's biggest advantages, it's also one of the biggest risks because the owner is an outsider. Security is of the utmost importance as an organization's data can contain customer credit card numbers, employee social security numbers, and a multitude of additional sensitive information. Loss/interception of this data can have serious legal and ethical issues for individuals and firms, and the resulting bad publicity could follow a company for years.

Is there a formula to do away with these potential security issues?
Yes and No.

Risk can never be completely eliminated but it can be mitigated. And to do so, a new version of cryptography, encryption, has come to our rescue!

When encryption is mentioned, many people think about heavy physical servers and keys being shared on CDs and in pen-drives, which needed to be installed to make systems work. Sadly, in this world of increasing costs and extremely large amounts of data, it's impossible to maintain the equivalent infrastructure. Also, most of the primitive formulas don't work too well with the cloud.

So, here's an introduction to some new techniques – Redaction, Obfuscation and On-the-fly encryptions.

Types of Encryption

Redaction is the digital form of black-marking the sensitive information on a document (for example, Account no. [REDACTED]). Redaction can be used to hide directory paths, dataset fields, unique identification numbers, etc.. Products such as Adobe Acrobat Pro DC, Nitro Pro 10, and Rapid Redact are some popular tools used for Data Redaction.

Obfuscation replaces the actual data with characters or unmeaningful data so that only authorized people can access it. Remember the xxxxx and ●●●●● when you input information like passwords or bank account details? That's obfuscation. This process simply complicates the information enough to eliminate obvious connections or clues to the original data. A simple change of ASCII characters to ANSI, or numbers to their binary forms (ex. 99 → 1100011), are some basic examples. Therefore, if by some chance the data gets into the wrong hands, there is no logical way of putting the pieces of the puzzle together.

On-the-fly encryption is an auto-encryption technique where data gets encrypted automatically every time it is loaded from the server. On-the-fly tools only require basic installation and create a virtual drive that is treated by the system as a typical local drive and any file saved within it is automatically encrypted. The algorithms/mechanism behind the encryption is unknown to the end user. It can encrypt anything from a file to an entire hard disk. It gets decrypted and stored in RAM whenever accessed by users and re-encrypted as soon as it is saved to the server. This is also known as live or transparent encryption, as it happens without user intervention or user knowledge of the encryption/decryption procedure. VeraCrypt, FreeOTFE, DiskCryptor, 7ZIP (for encrypted archive files), and Bitlocker (now pre-installed in Windows) are widely used on-the-fly encryption tools.

In a corporate environment, where the focus is on ensuring data privacy and security with minimum cost, these are the best tools and techniques that can be used.

Be encrypted. Be safe!

About the Author

Ankita Gupta is a Sr. Analyst at J.P. Morgan and a freelance content writer, focusing on analytics. MBA and Btech qualifications, as well as hands-on experience in this industry, have given her a vast insight on the importance of security measures required in a data-driven environment. She has published various articles through major websites like Elance, Skillpages and Crayon Data, one of the fastest growing big data start-ups in Asia. Other than keeping up with the latest trends in IT and information security, she has won several awards as an event manager, is an avid fiction reader, plays guitar and swims for leisure.



 **SNAPSHOT**

Enterprise Data and the Future of Hospitality

In the hotel industry, there's a longstanding tradition of leaders making decisions based on gut instinct. Whether it's a general manager who's been in the business for decades or a corporate executive who quickly climbed the ranks, hoteliers take pride in drawing from experience and expertise to make bold decisions and snap judgments.

This may have been acceptable when there was little data to draw upon, but in the digital age virtually every department, at property level and enterprise level, holds vast amounts of data to help managers understand guests, increase efficiency, and guide strategic planning.

Today, big data's biggest challenge is to convince people not to trust their judgment. "As the amount of data goes up, the importance of human judgment should go down," says Andrew McAfee of the MIT Sloan School of Management. "Human intuition is real, but it's also really faulty." (Harvard Business Review, 2013.)

Hotel companies that don't embrace analytics-driven decision making will increasingly lose market share, guests, and profits to more forward-thinking competitors—not to mention data-obsessed companies like Priceline, Expedia, Airbnb, TripAdvisor, and Google. Integrating data into the decision-making culture of an organization requires a shift in mindset and strong leadership. Below are six principles to guide hospitality leaders.

1 Put the Infrastructure in Place

A common misconception is that only big companies need big data, but data can inform decisions for hotels and hotel groups of all shapes and sizes. It requires putting the proper infrastructure in place and treating data as a utility.

By utility, I mean recognizing data as useful, beneficial and necessary. Infrastructure is more than just computers, it's people, systems, processes and data harvesting at every level. Executives need data for strategic planning, whereas middle management needs data for both tactical and strategic decision making, and frontline staff need simple and intuitive systems to collect and utilize data to enhance the guest experience.

2 Learn the Fundamentals

The prospect of sifting through volumes of data makes some executives break into a cold sweat. Data can be complex, time-consuming and

confusing. Some avoid it; others gloss over it. But today, even (or especially) senior leaders need to learn the fundamentals of analytics.

Thomas H. Davenport, cofounder of the International Institute for Analytics, identifies six key steps in analytics-based decision making:

1. Recognize the problem or question
2. Review previous findings
3. Model the solution and select the variables
4. Collect the data
5. Analyze the data
6. Present and act on the results

Many leaders start with the first step and then skip directly to taking action. But a hypothesis is simply a hunch, says Davenport. “The difference with analytical thinking is that you use rigorous methods to test the hypothesis.” Leaders should let the analytics people take care of the middle part, and then use the results to “tell a story” that staff, owners and executives can understand. (Harvard Business Review, 2013.)

Example: A hotel is losing group business due to lack of function space, and the manager asks the controller and revenue manager to perform an analysis. The data shows that if the hotel converts 200 square meters of restaurant space into function space, it can significantly increase rooms and meetings revenue with minimal losses to restaurant revenue. The GM presents the case to ownership to ask for approval to make the change.

3 Learn How Machines Learn

As strange as it may sound, senior leaders also need to understand how machines learn. Machine learning provides computers the ability to learn without being explicitly programmed. As

new data is added and analyzed, the software identifies patterns, gains greater understanding and can make predictions of future outcomes.

Similarly, executives should follow three steps in “forward-looking” analytics:

1. Understand what happened (Descriptive Analytics)
2. Explore why it happened (Diagnostic Analytics)
3. Predict what is likely to happen next (Predictive Analytics)

Today, too much data handling is performed manually in hotels. Analytics applications allow the automation of data collection, integration, cross examination and analysis from diverse sources, freeing up staff to interpret results, take action and optimize outcomes.

4 Hug Your Analytics Staff

Analytical skills are a prized possession today. Whether it's the revenue manager, controller, marketing director, CTO or CIO, executives should learn from them and support them.

When asking staff to perform an analysis, leaders must be careful not to fall into the common trap of pressuring them to prove their preconceived notions. “Instead, establish a culture of inquiry that focuses on learning the real truth behind the numbers,” Davenport says.

And no matter how much you trust your analytics staff, don't stop asking the tough questions such as:

1. What was the source of your data?
2. How well does the data represent the population?
3. What assumptions are behind your analysis?

5 Avoid Analysis Paralysis

While there's danger in relying on gut feel, or "extinction by instinct," there's also danger in being too analytical, or "paralysis by analysis," says Ann Langley, a professor at l'Université du Québec à Montréal. (MIT Sloan Management Review, 1995.)

Quality data drives quality decision making, and quality means complete, accurate and relevant, but there's a misconception that data must be perfect to be useful. In the hotel industry, data is pulled from and stored in the PMS, POS, CRM database, the internet, social media, revenue and reputation management systems, as well as being aggregated via system consolidation, mergers and acquisitions. The sheer volume of data and the processes of matching and merging data inevitably lead to duplications and imperfections.

Rather than waste time in the pursuit of perfect data, executives should strive for an acceptable

level of data quality and know where to strike the balance between insufficient analysis and excessive analysis.

6 Show Leadership

Moving to analytics-based decision making may ruffle feathers in the C-suite, where hospitality veterans think they're good at making intuitive decisions and may fear that data challenges their authority and value, but remember, there's no ego in analytics.

While there must always be collaboration, empowerment, discussion and dissent in decision making, strong leaders aren't afraid to overcome resistance and make smarter, less risky decisions based on numbers, not gut feel. Only then will hotel companies find the increased guest satisfaction, efficiencies and profits needed to thrive in a data-driven world.

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<http://blog.snapshot.travel/enterprise-data-and-the-future-of-hospitality>



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