# WEBREZPRO™

# A Guide to Changing Your Property Management System

A WebRezPro White Paper

# FULL STEAM AHEAD

KNOW WHEN IT'S TIME TO CHANGE YOUR PROPERTY MANAGEMENT SYSTEM — AND HOW TO DO IT.

Resistance to change exists across all industries, especially when it comes to replacing core systems, despite how inefficient they have become. Reluctance to implement new technologies most often stems from concerns over the cost of investment (hardware, software and implementation); the lack of time to learn a new system and train employees; the lack of technical knowledge to maintain system hardware, software and security; and concerns over a new system's compatibility with other systems in place. These barriers can lead us to continue to bail water from our "leaking boats" rather than choose to invest in faster, more powerful ones — a decision that impedes productivity and profitability, and can ultimately sink your business.

In the hospitality industry, a **property management system** (PMS) is at the heart of any lodging business. From front desk to back office, it's the center of command for all daily operations. If your property management system is slowing you down, it's time for a change.

This article aims to alleviate concerns and barriers that exist around making such a change by providing a guide to replacing your PMS — from what to look for in a new system to planning and managing the switch.

## SETTING SAIL FOR THE CLOUD

Choosing a new PMS is no simple task, but more and more lodging operators are looking to the cloud for inspiration to upgrade. A cloud PMS can offer an easy-to-implement alternative to traditional on-premise systems and blow away the concerns over replacing lagging software.

### Concern #1
*Cost of investment (hardware, software and implementation)*
A cloud PMS will generally cost you much less than a legacy system. Deployed over the Internet, they do not require the hardware or on-site installation demanded by traditional systems. Since they operate online, all you need is a Web browser (like Internet Explorer, Mozilla Firefox, Safari or Google Chrome) and an Internet connection to log in.

By removing hardware, installation and licensing costs, a cloud PMS is attainable without the intimidating investment required by on-property systems. You simply pay as you go — and you only pay for what you use. The subscription pricing model of a cloud PMS is typically comprised of a small monthly fee per room and upgrades are free making them generally very affordable.

### Concern #2
*Lack of time to learn a new system and train employees*
With a cloud PMS, you'll be up and running in no time. They are designed to be easy to implement and easy to use, and training is usually conducted online on a flexible schedule. In addition to ongoing live support, you should have access to an online user manual and training videos.

### Concern #3
*Lack of technical knowledge to maintain system hardware, software and security*
With a cloud PMS you don't need technical know-how. Cloud vendors take care of all technical resources and system maintenance, from software updates to top-level data protection and backup, leaving lodging operators free to focus on their guests and growing their business.

As your business grows, your PMS grows with you, providing increased room inventory allotments and functionality as required. And, remember, you only pay for what you use. A cloud PMS offers the flexibility to adapt to your property's changing needs, and even property-specific customization is possible.

## When to Jump Ship From Your Old PMS:

- You are losing online sales because your system is not integrated with online distribution channels.

- You spend too much time maintaining your system (hardware and software updates, data security and backups, reboots).

- You spend too much time manually transferring data between your PMS and other systems (POS, payment processing, call accounting etc.).

- Your system has you chained to the front desk.

- Your system slows down during peak times.

- You can't get at your data easily or in a way that helps you make strategic business decisions.

- Your system hinders personalized service due to limited guest management functionality.

Furthermore, while on-premise systems demand costly and time-consuming upgrades to keep them up to date, cloud vendors generally provide updates to users instantly and free of charge, keeping the software current.

**Concern #4**
*Compatibility with other systems in place*

Although a cloud PMS is not located at the property, it can and should be tightly integrated to your other systems. Most cloud PMS vendors offer an impressive and ever-growing list of interfaces to other hotel systems, including online distribution channels (GDS, OTAs and channel managers), point-of-sale systems, call accounting, entertainment systems, electronic locks, payment processing, sales and marketing software, voicemail and PBX.

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Making the decision to replace your PMS is the first important step. The next step is choosing a new system that is right for your property. Look for a fully automated and integrated property management solution that streamlines operations, adapts to your business model (not the other way around), frees you from the front desk, and allows you and your staff to focus on the real heart of your business: your guests.

## YOUR NEW PMS SHOULD OFFER

**An intuitive and attractively designed user interface**

As your property's center of control, designed to streamline daily operations, your PMS must be easy to use and learn. New or seasonal staff should be able to pick it up quickly.

**Complete, integrated front- and back-office functionality**

Reservations, guest profiles/history, check-in/out, billing, housekeeping and maintenance, financial reporting... your PMS should manage, synchronize and streamline daily hotel operations at every step.

**Integrated online bookings for your property's website**

Today's travelers prefer to book accommodation online, and a rapidly growing proportion of them online via their mobile devices. It is more important than ever to offer mobile-friendly online reservations on your hotel's own website to maximize sales, increase direct bookings and save on commission costs.

**Automated online distribution**

To extend your global reach while saving time and maximizing accuracy, your PMS should offer direct integration with the GDS, OTAs (Booking.com, Expedia, Orbitz, etc.) and channel managers for centralized and automated management of reservations between the PMS and third-party online distribution channels.

**Mobile access**

The ability to access your data from any computer or mobile device (tablet or smartphone), on or off site, improves staff productivity and guest service.

**Guest management features that promote personalized service**

Personalized guest service is a key factor in building guest loyalty and gaining a competitive advantage.

Through comprehensive guest profiles and other guest-centric features like pre- and post-stay emails, reservation alarms and reminders for staff, VIP flagging, post-stay surveys and loyalty programs, your PMS should offer you the tools to really get to know your guests, to cater to their specific needs and to exceed their expectations.

**Guest email templates/communications**
Your PMS should offer you the ability to send automatic and manual reservation confirmations to customers by email. Customizable pre- and post-stay emails are also important to make guests feel valued and more connected to your property.

**Comprehensive and customizable reports for strategic business decisions**
From booking to management reports, look for a PMS that provides you with the numbers you need to make smart decisions.

**Integration with other hotel systems**
A well-integrated PMS that connects all hotel departments and streamlines operations through process automation will save you time and resources and minimize human error. Look for a PMS with existing partnerships with well-established systems, including POS systems, payment processing, call accounting, electronic locking systems, entertainment systems, PBX and voicemail, the GDS and channel management.

**Professional top-level data security**
Your data should be stored in a secure data center with redundant Internet connections, 24-hour monitoring and diesel-powered electrical backup, and continually backed up to secondary and tertiary systems.

**Free updates**
Updates should be free, immediately available and frequent to ensure your system is always up to date.

**Compatibility with local tax laws and billing regulations**
Check (before you buy) that the PMS conforms to the tax and billing regulations of your country.

**Ongoing live customer support**
With a cloud PMS, ongoing customer support should be included in the monthly fee, as well as unlimited access to training videos and a comprehensive user manual.

## ALL HANDS ON DECK! MANAGING THE CUT-OVER

You've Googled, you've asked around, you've seen a few demos, and you've picked your new PMS. The hardest part is done! Now, to make the most of your promising new software, it's important to maintain momentum and focus some time and effort on the changeover.

### Immediate vs. Gradual Implementation

It might be tempting to manage the transition to your new PMS gradually. This approach is called a parallel changeover, where both the old and new systems are run simultaneously for a time, just in case the new system doesn't quite work out as expected. While having a safety net is generally considered wise practice in life, the parallel approach is not recommended when it comes to replacing your PMS. Running two systems simultaneously requires vigilant, manual duplication of data and transactions across both systems, which risks data integrity and doubles your workload. The gradual approach ultimately distracts from and delays implementation of the new system.

Avoiding the confusion and errors born of operating two systems at once, the direct cut-over approach will get you up and running confidently with your new PMS much faster. The direct ("big bang") cut-over works how it sounds; the old system is discontinued and the new system implemented on the same cut-over date. Direct implementation is a bit like jumping in the deep end — it can be scary but you'll learn to swim fast. Implementation time is shorter and any teething problems and training are condensed. Ultimately, switching from your old system to a new one in an instant, rather than gradually, is more efficient and effective. It also requires careful planning.

### When to Make the Switch

Timing is very important in planning for a smooth cut-over. Consider factors like seasonal cycles, workload pressure and staff vacations when choosing the best time to implement your new PMS. As a vendor, we have observed that most of our clients schedule their "going live" dates for low or shoulder seasons, when occupancy and workloads are lower. During the off season staff have more time to focus on learning the new system in a less critical environment.
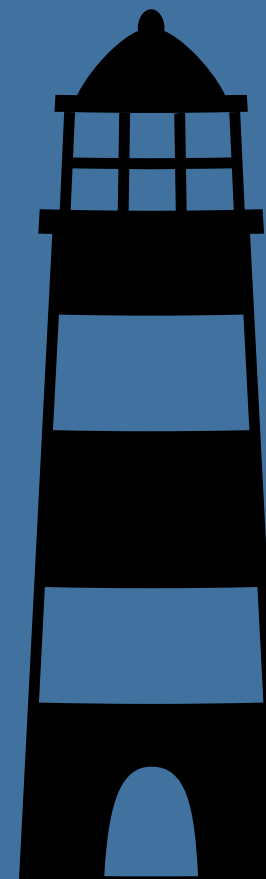
## CUT-OVER CHECKLIST

Switching from one PMS to another is a complex task: all future reservations and guest profiles will need to be transferred; guests that were checked in through your old system may be checked out through the new system; advanced deposits and outstanding invoices need to be tracked across systems...it can get complicated. But, changing your PMS doesn't have to cause a headache. A well thought-out action plan will pave the way to a smooth implementation and help to ensure that nothing gets missed.

### Before Cut-over Day

❑ Determine if guest profiles can be exported from your existing PMS into a spreadsheet format. If so, do you want to import them into the new PMS?

Not only do guest profiles contain information vital to providing great guest service, but transferring them to your new system makes converting future reservations to your new PMS much more efficient, especially if those reservations are to be entered manually. If future reservations are to be transferred electronically (see next step), guest profile information can usually be imported at the same time.

❑ Can future reservations be exported from your existing PMS into a spreadsheet format? If so, do you want to import these reservations electronically into your new PMS or will you be manually entering these reservations?

- Manual transfer – recommended for up to 150 bookings.

- Electronic transfer – recommended for more than 150 bookings.

❑ Do you process credit card payments through your existing PMS? If so, you must ensure that you are able to process credit card payments on the cut-over date.

❑ Does your existing PMS interface to other systems within the property — e.g. POS, PBX, call accounting, etc.? If so, when will these interfaces be installed into the new PMS?

To ensure interfaces are up and running as soon as possible, find out whether or not the vendors already work with each other, and, if not, if an interface can be established. It can take time to activate interfaces; you may have to manage some operations manually for a few days post cut-over.

❑ Does your existing PMS interface to external systems such as a GDS provider, OTAs, etc.? If so, when will these interfaces be installed into the new PMS?

❑ Decide how you will handle in-house guests that are staying over on the cut-over date.

- Is revenue generated by these guests to be posted in the old system, the new system, or a combination of the two?

- Are payments collected from these guests processed through the new system or the old system?

- Will your accountant be able to make the necessary adjustments within both your old and your new PM systems?

❑ Choose the date on which you will cut over to the new PMS.

❑ Setup and training for the new PMS. Under the direction of training support staff, the employee that will be responsible for the overall setup and ongoing maintenance of the new system will be guided through the following steps:

- Initial setup – property information, room types and inventory, corporate accounts, default reservation policies, etc.

- Set up rates and groups

- Accounting setup

- Entering reservations

- Checking guests in and out

- Collecting payments

❑ Enter future reservations (manually or electronically).

❑ Enter accounts receivable balances/invoices into the new PMS. Create profiles in the new system for any companies with balances, along with invoices for each outstanding bill.

❑ Apply any advance deposits received to corresponding reservations in the new PMS.
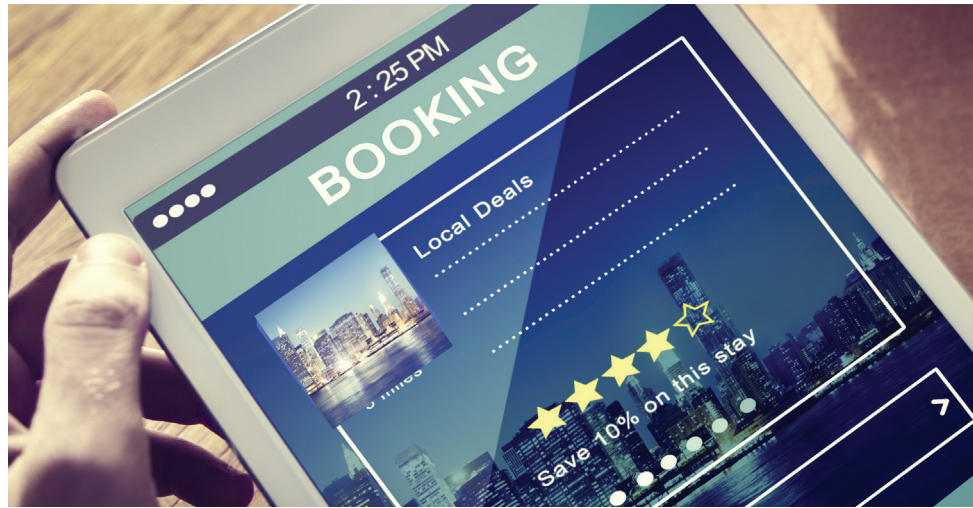
## On Cut-over Day (and Post-Cutover Period)

❏ Guest check-outs and staythroughs:

    • Ensure front-desk staff are trained to check out guests as decided (through the old system or through the new system) — it is very important to be consistent.

    • If revenue generated by staythrough guests is to be split between the old and new systems, check those guests out of the old system and in on the new PMS.

    • Collecting payment – if the new PMS is integrated with your credit card processing system, payments can be processed via the PMS. Otherwise, payments must be manually entered into the PMS.

❏ Monitor active interfaces (credit card processing, POS, GDS/OTA etc.) to ensure everything is working correctly.

❏ Confirm that online bookings through your website are working. Your new system's online booking engine should be implemented as soon as the PMS is live, in order to avoid losing online sales. Adding an online booking engine to a website is simple and instructions for doing so will be provided by your PMS vendor. If you are using an alternative online reservation system, it may still be possible to integrate it with your PMS.

## SMOOTH SAILING

Replacing a floundering property management system is an intimidating but worthwhile enterprise. As the center of control of hotel operations, your PMS needs to hum — not chug — in order for your business to thrive. With thorough planning and a vendor that works with you, changing your PMS can be a smooth process that doesn't disrupt hotel operations. Upgrading to a cloud PMS can help to ensure a comfortable transition through quick deployment, flexible training and easy integration, and without the hefty investment required by traditional on-premise systems. Your cloud PMS vendor is responsible for all technical matters and data security, and will work with you every step of the way to get you up and running.

In addition to a thorough cut-over plan (the basis of which is outlined in this article), it is important to be open to change. Be prepared to let go of the familiar, albeit outdated, processes of your old system. A new system will bring a new level of efficiency to your work day and you'll quickly discover how an automated and integrated PMS streamlines operations to make your whole business run more smoothly and profitably.

Full steam ahead!

WebRezPro™ is a cloud property management system designed to meet all front- and back-office needs of independent hotels, hotel groups and chains, vacation rental management, inns, campgrounds and hostels. Serving hundreds of clients in 30 countries, WebRezPro is a product of World Web Technologies Inc., a pioneering Internet marketing and software company for the tourism and hospitality industries since 1994.

Visit **www.webrezpro.com** or **call 1-800-221-3429** for more information and a free demonstration.