

Hampshire Hotels & Resorts – A Dynamic Hospitality Enterprise

By Riyaz Akhtar, Executive Vice President of Development, Hampshire Hotels & Resorts



In the hospitality business, success is contingent on the ability to proactively meet – even anticipate – the needs of our guests. Technology plays a key role in delivering this value proposition.

Our ability to keep track of guest needs and desires, while managing a myriad of other critical assets by using communications and information technologies provides the basis for:

- Enhancing the guest experience
- Achieving competitive differentiation
- Raising repeat visit ratio
- Increasing operational efficiency

Because our industry is both competitive and global, we are seeing a technology race among the top hotels, as we strive to deliver the best possible experience, while holding the line on costs. We recently partnered with Alcatel-Lucent to do just that.

A Fresh Perspective

With responsibility for IT across our properties, my mandate is to deliver operational savings to Hampshire Hotels & Resorts and use technology to enhance and differentiate guest services. We had taken a very traditional approach to our IT projects, designing applications and systems to deliver functionality. We had projects around optimizing elevator control systems, and we had separate projects to improve reservation systems. We accessed each system differently and the information in each system was confined. Then, as a result of our close partnership with Alcatel-Lucent, we turned our thinking around and put the two concepts together. As a result, we were able to realize a leap forward in operational savings, flexibility and, most importantly, guest services.

Exploring the Possibilities

After meeting with Alcatel-Lucent, we had an opportunity to review a number of technologies, including networking, telephony, management, security and Unified Communications – and began exploring which technologies could positively affect key operations of all properties. We looked at how WiFi phones could optimize operations. We looked at optical gear that could connect hotels and centralize operations. And we explored how applications like MobiCall could resolve guest issues by integrating automated concierge services, contact center technology and other relevant operations.

By this time we knew that to make this work we could not have a typical vendor/ client relationship. We needed to build on the close partnership we had with Alcatel-Lucent to make Hampshire Hotels & Resorts a more Dynamic Enterprise.

Partners in Action

It became clear that this was both a strategic and urgent imperative for Hampshire Hotels & Resorts, so we decided to put this business transformation initiative on the fast track.

Two weeks after the project was conceived we invited Alcatel-Lucent – with their partners Pinnacle and Jetcom – to meet with us. Together we outlined the main components of our IT infrastructure transformation.

Within four weeks of that initial session we expanded the team to include the hotel General Managers (GMs), our VP of Sales, our Chief Marketing Officer and Chief Operating Officer, as well as technical liaisons. We reviewed the ideas, provided feedback and detailed more of our business goals and issues.

In week six, we expanded our team again and agreed on a basic design. At ten weeks, we fine-tuned the plan. Twelve weeks after we originally sketched out ideas, we finalized and approved our plan.

From the Network to the Guest Room

We knew that to merge our systems our first step would be to connect our properties with a centralized Wide Area Network (WAN) environment. We opted to do this using dark fiber and by consolidating voice and data traffic in the Astoria. We developed an infra-structure that provides almost unlimited capacity. The new system also allows us to better use resources by sharing capacity. And because it is centralized, it is easier and less costly to manage and monitor. We can now determine instantly whether our allocation of Internet and PSTN connections are sized properly.

We also spent a lot of time looking at how to innovate our operations with a strong networked contact center. This approach gives us the opportunity to consolidate services like reservations, concierge and other operations and provides opportunities for us to up-sell and cross-sell much more effectively. As a result, we make efficient use of our employees and properties.

Transparently delivering a superior guest experience

With the WAN in place, we shifted our attention to developing a comprehensive strategy for the technology and service elements at each property. Prior to this initiative, we had multiple vendors, service contracts, operating systems and different services and applications in each of the hotels. We also relied on cell phones to contact employees at different sites.

This is changing. All properties now have access to metro ethernet connections that support voice and high-speed wired and wireless Internet. Our guests now get consistent service levels at each of our properties. Due to the fully redundant network, if a link goes down each hotel can help the other.

And we resolve issues faster by enhancing staff mobility. We have selected Alcatel-Lucent dual-mode phones that support VoWiFi when we are on our properties and operate over the public switched network only when necessary. The WiFi coverage also ensures that our executives know where staff is by tracking and reporting on the movement of any wireless device in the hotel. If someone is having problems with a faucet the GM can locate the nearest repair person to help.

Bringing the digital experience to the guest room

The deployment of interconnected systems plays a tremendous role in the guest room automation and experience. We are installing video cameras on the doors. If someone knocks late at night, the guest can verify the person's identity by looking at their phone screen or checking with the hotel. Safety and security is enhanced for the guest!

When we began to plan the network, I told the team we needed to make the telephone relevant again. Each phone switch used to earn the hotel about \$240,000 USD (€175,000) per year. Today we don't make money from the phone or derive much tangible value that benefits our clients. We wanted to change that – at a minimum we wanted the phone switch to be a central part in how we deliver services.

We think the door camera connected to the phone system helps. So will the concierge. Our guests will be able to dial a concierge (who will be servicing multiple properties thanks to our call center) or get help from the automated concierge – and they can do it in any one of several languages.

The rapidly expanding peer-to-peer telephony market also provides an opportunity for Hampshire to recapture revenue by introducing a SIP-based peer-to-peer Internet calling service. With a competitive flat-fee call package, guests can call anywhere in the world from the in-room device, which could end up being more cost effective for the guest than their own mobile device. Additionally, the LCD screen on the in-room phone could provide the guest service directory as well as the room service menu making the phone an information center in addition to a communication device.

When a guest checks into the hotel, the room lights and temperature controls are turned on. When the guest enters the room they may adjust the temperature and lighting to their preferred settings. A sensor will trigger the system when the guest leaves the room and the lights and air conditioning will switch to stand-by mode. The same sensor will recognize when the guest returns and switch to active mode, with lights and temperature returning to the guest's preferred settings. The preferences can be stored and used on the guest's return visit – to any of our properties. This allows Hampshire to benefit from energy savings and helps us be a better corporate citizen by being environmentally conscious.

Hampshire Hotels' Business Benefits

Our IT infrastructure consisted of a series of siloed systems and applications that made it difficult to share and cross-analyze information. As a consequence, assembling the necessary information to make the best informed decisions proved challenging.

To address this, we have connected everything over the IP network. We have standardized both the wired and wireless local area networks throughout our properties. All hotels are now using an architecture based on Alcatel-Lucent's OmniSwitch, OmniStack and OmniAccess technologies.

WiFi supports both guest high-speed Internet traffic and staff operations, and we have taken measures to ensure that all our buildings are covered, so there are no blind spots in our hotspots. Also, the LAN was built for scale and performance providing room to grow.

Our GMs now have a universal view of all systems – of all properties, from all properties. We've consolidated the systems, so they now interact. For example, if the fire alarm goes off we trigger alarms with the communications systems so our GM is able to meet the fire department.

With universal control and visibility of critical assets, we can manage properties and systems from a distance. Guests are safer with the systems connected – we know when a dangerous life safety (such as fire or medical emergency) situation arises and can notify people rapidly. Repairs are made quickly. If something breaks we can identify the closest maintenance person to fix it. And we can automate our business processes because everything is connected with our communications network.

Millions in Savings and Counting

Based on a very conservative analysis, we anticipate a total of approximately \$6.25 million USD (€4.5 million) in recurring annual cost savings as a result of our network upgrades. In addition, the power savings from this solution has accelerated the return on investment. Many elements of this project contribute to these figures as follows.

Just by connecting the properties and centralizing voice and data traffic and many of the operational functions, we estimate a \$2.6 million USD (€1.9 million) saving per year. In the process, we optimize resources, improve room availability for guests and provide more consistent service.

By eliminating multiple service contracts, a large portion of our cell phone bills and many operating issues, we estimate that we'll save another \$775,000 USD (€ 564,000) per year. On top of that, we conservatively estimate that our LAN and WLAN architectures will save \$280,000 USD (€ 204,000) annually.

When we consider the operational efficiency of now having a universal view of all systems, we estimate the operational savings to be another \$980,000 USD (€ 714,000) per year.

Also, the addition of the guest room intelligent temperature and lighting system will save 40% on our electrical bill alone – which translates to over \$1.6 million USD (€ 1.17 million) per year. It also helps us to be recognized as eco-friendly. We are one of only four hotels in New York registered with the U.S. Green Building Council. We are also going through Leadership in Energy and Environmental Design (LEEDs) certification now. This appeals to the increasing number of eco-conscious travelers.

Using standards-based infrastructures, we have laid the foundation to find more areas for savings. We have also changed the focus and rationale for how we spend our technology dollars. Rather than concentrating on functionality, we are working with our partners to conceive and deploy projects that directly contribute to the safety and convenience of our most important asset ... our guests.

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