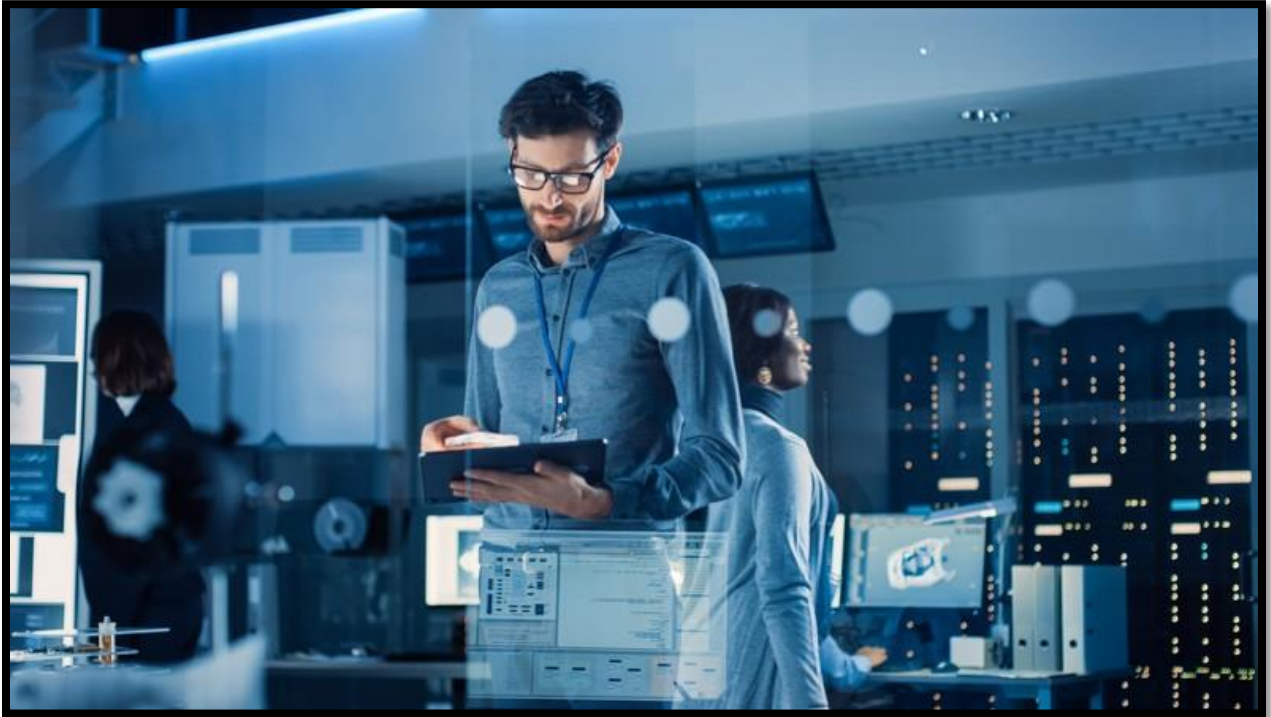


## Improving Your Tech Stack Means Evaluating Your Human Stack



The pandemic has made it abundantly clear that technology represents the key to long-term profitability for hotels. The adaptation of both FOH and BOH technologies serve to improve guest satisfaction while helping to reduce labor costs and make more data-driven decisions. Aside from the pain of implementation and a blooming SaaS expense, this is a big win-win situation for the hotelier.

As we've mentioned in previous articles and as we advise our hotels during consulting assignments, developing an appropriate technology strategy is the first step towards being able to take advantage of the wealth of solutions available to any property. But, once that strategy is vetted by ownership and the executive team, both the selection and implementation of these products ultimately fall upon the IT department.

For a start, let's look at organizational structure. Typically, the IT director or manager falls into the room division or engineering department, often considered more as a maintenance role than a visionary one. If asked, most of their supervisors consider their primary task to be managing the technological infrastructure within the property – primarily a hardware and systems upkeep responsibility.

Not to minimize this work – which is critical, of course – but dealing with guest WiFi bandwidth issues and replacing managers' laptops requires a totally different mindset than evaluating the latest revenue management solutions or CRM adaptations, or looking ahead to a totally integrated IoT room setup with CDP integrations. Moreover, from a priority standpoint, any IT manager knows that failing hardware in-house take precedence over a new software solution. In other words, why add more when the current load still needs adjustments?

This scenario of constantly playing catchup can result in a team that is overloaded and one that doesn't have time to ponder what can be. It's a 'human stack' issue within a broader discussion about your tech stack. Unless you adequately staff your IT department and focus on aligning your property goals with its ability to execute new initiatives, a bottleneck is created that thwarts your long-term success.

Too often, new software is considered without understanding the implementation aspects or the aggregate time demands on this human stack. A solution will state that they are compatible with your PMS – the first hurdle – but equally as critical is to ask how many hours of IT time it will typically take to complete the installation, as well as the anticipated manhours requirements post-setup for maintenance and upgrades. Now compound this with all the programs that you anticipate installing during the upcoming year alongside the ones you plan to keep using for the decade ahead.

The cumulative time demands here, as you may soon realize, will likely necessitate more staffing within the IT team. Not to add to your challenges *per se*, but you will quickly find that hiring IT staff is not for the faint of pocketbook because their salaries have skyrocketed in lockstep with demand. Here, your best bet might be to consider a junior from a local community college, serving to support your senior staff and thereby freeing up the director's time to manage more challenging activities.

As hotel consultants who pride themselves on thinking outside the box, we have an alternate to this approach. Separate the IT function between hardware or physical devices and on-premise or cloud-based software. While there will necessarily be heavy overlap between the two, the creation of a manager totally devoted to improving revenues and guest satisfaction through platform technologies (and not just the corporeal backbone of onsite functions) raises the profile of this role, allowing you to recruit an individual who comes from a software background but may not necessarily have the hardware toolbelt.

This is but one radical solution and it comes with the risk of upsetting your current IT manager, but it better aligns available skillsets with your future property's requirements. Regardless, you need to

consider the broader trend in terms of the ever-deepening relationship between hotel profitability and technology.

We anticipate only increased software requirements (and budgets!) for all properties over the coming decade. Thus, it's crucial to have someone on the team who has both the passion and the time to make these solutions work for your income statements. And the only way to truly deal with this manhours problem is to think about the human component of your tech stack so that your IT team isn't only running around everyday struggling to keep up and can instead properly assess new systems that will ultimately build revenues.



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