

THE CASE FOR THE CLOUD:

HELPING HOTELS

**OPERATE AND COMPETE
MORE EFFICIENTLY**

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RELIABLE DATA NETWORKS ARE CRITICAL FOR SUCCESS

Cloud computing: At first just a new buzzword for computing services delivered via the Internet, the Cloud has matured and has quickly fueled unprecedented innovation and productivity in a variety of industries. And the hospitality industry is no exception.

Cloud services and its twin SaaS (software as a service) have the potential to revolutionize the hospitality industry, within both guest services and back office operations. From property management systems and reservation systems to concierge services and more, almost any aspect of a hotel's business operations can be hosted in the cloud. The only requirements: a computer, tablet or mobile phone, a web browser and Internet connectivity.

The benefits of cloud services are not limited to large-scale enterprises. Hotels of any size can reap benefits and support their growth strategies by taking advantage of SaaS options available through the cloud. But while organizational size is not an issue for working in the cloud, infrastructure is. That's why it's crucial for hotels to carefully evaluate their data network structure before embarking on any cloud computing strategy.

**CLOUD
FACT: #1**

By 2020, the cloud market will reach \$191 billion.¹

THE CLOUD HELPS HOTELS SAVE TIME AND MONEY

Cloud services eliminate the need for hoteliers to staff large IT departments to buy and manage premised-based servers and enterprise software because those servers and programs can be managed by cloud services companies. Hotel staff and resources can be re-dedicated to core services rather than maintaining software and equipment or paying for and managing unpredictable server and network upgrades. Hotels may even save money on electricity costs thanks to a reduction in on-site equipment. And the money saved can be passed on to customers, or reinvested back into the business to improve existing services or add new ones.

Many cloud services organizations operate on a “pay as you go” model, so there is no need for hotels to invest large amounts of money in upfront costs. Some properties may even realize a tax benefit by using this “pay as you go” model as an operating expense rather than a capital expense.

THE CLOUD MAKES SMALLER HOTELS COMPETITIVE

Prior to the advent of the cloud, the high costs of traditional IT infrastructures made economies of scale difficult to achieve for smaller hotel companies. But with SaaS, the cloud’s low barrier to entry and “pay as you go” pricing structure enables small hotels to realize similar economies of scale with minimal ramp up time and no capital outlay.

The cloud also gives smaller hotels instant access to the latest Property Management System (PMS) and Customer Relationship Management (CRM) software, which is updated automatically — a much better option than struggling with expensive and outdated traditional CRM and PMS. Plus, because technical issues are handled by the cloud service provider, hotel staff only needs to learn how to use the systems on an end-user level, which saves on training and allows non-tech savvy individuals to access mission critical data.

THE CLOUD IMPROVES PRODUCTIVITY AND INCREASES FLEXIBILITY

In addition to eliminating time-intensive management and updating of premised-based servers and software, migrating to cloud services also eliminates the time required for equipment installation. When a hotel is ready to move to the cloud, they can be up and running on day one with no downtime or loss in productivity. And when a hotel needs to scale up for even more capabilities, they can do so quickly and easily.

Hoteliers can also rest easy knowing that productivity won’t be impacted in the event of an emergency or security breach since many cloud services include disaster recovery to ensure cloud data is backed up and restored, reducing dependencies on redundant, off-site backups.

Cloud data and services can be accessed from anywhere, on any device, giving hotel executives much more flexibility. They can access information, make decisions, and manage their property from offsite, and hotel staff can provide more productive and efficient customer service from anywhere on the property rather than being tied to the front desk.

A teal cloud shape containing the text "CLOUD FACT: #2" in white. The cloud has a soft, billowy appearance with a darker teal outline.

CLOUD FACT: #2

Organizations that have fully or largely migrated to the cloud save on average more than 15% in IT spending.²

A teal cloud shape containing the text "CLOUD FACT: #3" in white. The cloud has a soft, billowy appearance with a darker teal outline.

CLOUD FACT: #3

More than 21% of hoteliers surveyed said migrating solutions to the cloud is a key technology goal.³

HOW TO REALIZE THE POTENTIAL OF CLOUD SERVICES

While the cloud and SaaS have the potential to help hotels achieve significant improvements in their operations, many hotels will struggle with related bandwidth requirements. In fact, some hotels are already struggling with the bandwidth needed to support their existing guest services. Cloud services will strain their legacy networks even more.

High-capacity bandwidth can be a transformational or strategic asset. Fortunately, the growth of cloud services has prompted many IT executives to pay more attention to network services and the importance of establishing a high-performance data network to handle the increased Internet traffic and provide safe, secure and direct access to data and services hosted in the cloud.

With a strong network, cloud applications can run smoother, faster and more reliably. High bandwidth is a key enabler of a strong network and allows large amounts of data to be sent and received quickly. Also important are the network's reliability, its capacity to identify different types of traffic and prioritize them, and its ability to minimize latency.

Ethernet provides a proven networking protocol to achieve these goals. It enables low latency networks that are scalable, cost-effective, and easy to secure and manage. Ethernet doesn't just connect hotels with the cloud (as well as data centers, backup providers, and remote offices and employees). It connects them quickly and reliably, reducing delays and limitations. Plus, it is easily scalable, unlike traditional T1 network technology. Hotels can acquire what they need today and can easily increase their security, storage or collaboration needs as they grow.

Comcast Business Hospitality Ethernet provides fast and reliable network connectivity, with speeds that easily scale up to 10Gbps. Our secure, private network provides hotels with a reliable connection to the cloud — even across geographically dispersed properties — instead of over the public Internet.

For smaller properties, Comcast Business Hospitality Internet provides multiple speed tiers to fit any budget and address growing data demands. Two modems are included so that back-office cloud systems aren't impacted by surges in guest demand. Cloud-based services for email, collaboration and security are included at no extra charge to further increase flexibility and decrease operational costs.

CLOUD FACT: #4

24% of hotels surveyed are currently running their Property Management System in the cloud, or plan to in the next 18 months.³

CLOUD FACT: #5

20% of hotels surveyed are running their CRM system in the cloud, or plan to in the next 18 months.³

CONCLUSION

Cloud-based systems are the ideal tool for hoteliers looking to streamline their operations, reduce costs and stay connected with the changing world of online travel. To realize the potential of the cloud and access SaaS options, hoteliers must have a robust data network.

When evaluating data service providers, look for one that understands your industry and can offer a variety of robust solutions that can be catered to your specific needs. A provider with customized products unique to the hospitality industry can help provide support and a powerful foundation for your cloud strategy.

HOW HOTELS ARE USING CLOUD SERVICES

• Front desk and check-in/check-out	• Reservations
• Point of sale	• Global distribution
• Housekeeping and Maintenance	• Guest services
• Accounting	• Guest loyalty programs
• Payroll and HR	• Restaurant ordering
• Channel management	• Telephone, TV and WiFi service

Sources:

1 Forrester, *The Public Cloud Market is Now in Hypergrowth* (April 2014)
2 Computer Economics, *“The Economic and Strategic Benefits of Cloud Computing”* (Feb. 2014)
3 Hospitality Technology, *Lodging Study 2015*