



Luxury Hotel Chain's CRS Modernization Spurs Per-Room Revenue and Occupancy Rate Improvements

Business Situation

One of the world's largest hotel and leisure companies, with more than 1,000 luxury hotel chain properties, was using an outdated central reservations system (CRS) that did not support simple business rule changes. Amid continuous technological change and a need for more flexible processes, running an efficient organization on an outdated mainframe was no longer an option. Changes in regulation and the market, among other factors, lead to business rules that change just as frequently, making easy updating and maintenance of these rules essential. The hotelier recognized that a new CRS system, built with service-oriented architecture (SOA), was needed to help users more easily define and modify business rules when necessary.

Challenge

While the legacy CRS was reliable and delivered reasonable throughput, it was inflexible and dated. Inventory was managed by disparate systems, so there was no authoritative source or system of record for the hotelier's large portfolio of properties. Additionally, the mainframe constrained visibility into property availabilities, so the hotelier couldn't view this data in real time. After instituting work-arounds to make the data visible, the outdated system

still had data quality issues. Also, the yield management system did not integrate well with the mainframe, making it difficult for business users to make decisions due to system downtime and the possibility of receiving corrupted data. Lastly, the mainframe system did not support the way rate plans were created in property management systems, thus integrating it into the mainframe was a nightmare.

Problems with inventory, availability, yield management and rates all boiled down to the disparate systems and obsolete technology that functioned at the company's core. This cemented the need for a modernized system, including new pricing techniques, to stay competitive. As the first major hotelier to address legacy modernization, the company required a partner that could own the quality assurance (QA) aspect of the project, as well as rules-engine development.

Solution

The hotelier's executive team unanimously opted to partner with our Travel and Hospitality business unit, in large part due to its dedicated hospitality practice. The hotelier felt secure that with our domain expertise, we would immediately understand its challenges and the desired functionality of the new system. A handpicked team of

experts used proven technical and strategic skills to implement a strict service level agreement (SLA) in order to tackle the modernization project in an efficient and timely manner.

Furthermore, the round-the-clock availability of our global delivery model provided the hotelier with peace of mind – something quite valuable for a project previously plagued with missed deadlines. In addition to being able to reach us at any time, the hotelier appreciated our transparent project and metric management approach, which provided a true picture of the progress made.

On a daily basis, each team member delivered reports of specific metrics, such as success rate, defect density, failure rate, number of re-runs, no runs, and blocked functionality. We presented the metric management data to the senior management weekly, using our extensive capabilities to prepare reports and convert important information into histograms and charts. Based on this data, decisions were made to relocate resources to areas perceived as unstable due to the amount of defects in the system. This re-prioritization allowed the hotelier to optimize its resources on the right areas.

Using a thorough, functional QA, we revamped the way the modernized system stored business intelligence and data. We also helped the hotelier utilize new technology to expand bookings through a variety of sales channels such as call centers, brand Web sites, GDSs, and IDSS, providing easier access to third-party reservations services. As a result, the hotelier's customers experienced improved speed and efficiency when making a reservation, quicker response times from hotel staff, and reduced time spent by both parties to book a room.

During construction of the system's features, new versions of the software were released every three weeks. The company's wide variety of systems had made continuous integration support critical while significantly increasing the cost of regression testing. As release cycles shortened

and the time required to regression test expanded, we deployed automation experts to streamline this process. We also automated QA of critical components such as availability and booking, in part by developing frameworks that generated UI automation scripts and centralized repetitive activities.

This resulted in record-time automation, a 20% increase in efficiency and turnaround time, as well as reduced cost of regression testing.

Benefits

Through our expertise and proposed business analyst-quality assurance model – where business consultants were also used as QA specialists – we ensured that the hotelier's new IT system functioned seamlessly according to its business needs. This SOA-based solution, built around standard Web services, allowed the CRS to interact with the hotelier's sales channels. Using integration testing, we ensured the services functioned properly and provided the desired results. Through our streamlined techniques, we were able to automate at least 50% of regression test execution in functions such as booking. This led to improved efficiencies by at least 20% of test execution in booking and revenue management, resulting in key resources that were now able to focus on bigger business goals.

After working with us to successfully update its CRS and enhance access to superior business intelligence, the global hotelier also remained ahead of its competition in terms of time to market. For example, the hotelier is now able to quickly change the rate in one system and have it reflected across all downstream systems, allowing it to more effectively respond to ever-changing market conditions. It can offer the right price to the right consumer at the right time. Due in part to our work on this system, the company experienced an 8% increase in room occupancy and an 11% increase in revenue per available room (RevPAR).

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