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Cognizant Case Study

Modernized and Integrated Reservation System Reduces Costs, Increases Visibility for Worldwide Hotelier

Business Situation

One of the largest operators of hotel properties, with over 7,200 hotel properties in every category – from upscale to economy – was faced with a challenge when it came to its reservation system. As mergers and acquisitions emerged as a popular solution to the decline of occupancy and revenue across the industry, the hotel operator, known for its exceptional customer service and value, sought a remedy to how to get all properties on the same reservation system.

Challenge

Merging two or more different hotel brands/chains resulted in each hotel brand's functional systems operating in silos. The lack of integration between IT operating systems meant there was no enterprise-wide view of the data and systems, such as revenue, occupancy levels or rate changes among its various properties. This limited the amount of actionable intelligence available to the hotelier's decision makers.

Furthermore, as M&A growth led to disparate technologies, systems, and processes struggling to work together, IT systems experienced increased volume, leading to more frequent downtime and processing delays. At times, the hotelier's systems required manual intervention in order to perform rudimentary tasks. Manual tasks involved dual entry of rates and inventory in multiple systems, including further manual intervention when that data became out-of-sync. Any acquisition or merger also typically resulted in multiple applications with similar functionality. To function efficiently, these systems needed to interface with each other or, ideally, be consolidated into a single system. Lastly, a lack of industry-based technology standards such as OTA (Open Travel Alliance) or HTNG (Hotel Technology Next Generation) specification formats as well as the usage of disparate standards, like OTA 2003 in some systems compared to the usage of OTA 2007 in others, led to reduced visibility of system issues and a lack of quality assurance processes among the systems.

Solution

The system needed to be replaced enterprise-wide with a new environment built on a service-oriented architecture (SOA). SOA brings silo functionalities into an integrated services model with a single service for specific functions, such as search, book, rate update, inventory update for all brands. This can be orchestrated to suit the needs of various channels – Central Reservation Offices Call Centers – by using business rules. SOA ultimately avoids duplication of functionality within the IT landscape and reduces day-to-day maintenance costs while increasing scalability to meet future enhancements.

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After a thorough analysis, the worldwide hotelier's business group agreed to completely overhaul how it managed property inventory, rates, availability, reservations, group management, and yield management. The group decided to partner with our Travel and Hospitality business unit, recognizing its dedicated hospitality industry expertise, extensive functional and quality assurance (QA) processes, as well as experience in enhancing and modernizing complex business-critical applications.

Through this collaboration, we were able to develop an integrated solution built on an SOA architecture that allowed seamless data flow across applications and ensured integration between multiple systems within its IT infrastructure, eliminating duplication and redundancy. We worked to bridge the gaps between the information systems that had previously operated without an internal/external interfacing mechanism. Then, we implemented a new foundation that integrated multiple booking engines and rationalized the IT infrastructure while enhancing the customer-facing Web sites to address evolving customer needs, expectations, and booking habits. Our advanced knowledge allowed us to transform the original platform to this new platform without impacting business as usual.

The solution also gave the hotelier a competitive advantage by providing better visibility to inventory and rate data, which allowed for real-time rate adjustments according to market conditions. Ultimately, the upgraded system optimized operational performance and provided a basis for improved revenue opportunities and better decision-making.

Benefits

The modernized CRS services were successfully implemented within eight months, reducing annual operating costs by 40%. Performance on a service-to-service basis improved between 10% and 30%. In addition, individual brand affinity was elevated as a result of increased user satisfaction, higher booking conversions due to highly competitive rates, and streamlined working relationships with external partners such as travel agents and global distribution systems.

About Cognizant

Cognizant (NASDAQ: CTSH) is a leading provider of information technology, consulting, and business process outsourcing services, dedicated to helping the world's leading companies build stronger businesses. Headquartered in Teaneck, New Jersey (U.S.), Cognizant combines a passion for client satisfaction, technology innovation, deep industry and business process expertise, and a global, collaborative workforce that embodies the future of work. With over 50 delivery centers worldwide and 130,000 employees as of September 30, 2011, Cognizant is a member of the NASDAQ-100, the S&P 500, the Forbes Global 2000, and the Fortune 500 and is ranked among the top performing and fastest growing companies in the world.

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