

Hotel Technology: How to Evaluate Options and Demand the Best

By Michelle Marquis

Technology in the hospitality industry has evolved a great deal in the last 25 years, and the pace of new technology entrants seems to pick up daily with changes in property management systems, distribution systems, cloud-based solutions, CRMs, revenue and reputation management tools. It is yet another sign of the evolution of the industry in line with traveler booking journeys. This also means hotel professionals must be vigilant in assessing which technology partners to work with.

Technology is a necessity today; however, technology partnerships can be a love-hate relationship. When the partnership is a good one, you will wonder how you ever lived without it. But when it's not, just like any bad relationship, it can be hard to get out unscathed. Here are a few things to think about as you evaluate new technology partners. Thinking through these issues prior to engaging with a new technology provider will help steer you toward a partner you can't live without.

- **1. How are they funded?** What is their long-term plan? There are a lot of entrepreneurs jumping into the hospitality space because they see a big opportunity, and it pays to be sure that they have the resources for continued investment and development.
- 2. Are they integrated with your other technology partners? This is really important for any solution outside of your PMS. Having data in multiple silos creates tremendous friction for operations, and adding another layer of complexity only creates more inefficiency for your team.
- **3. Do not sign a long-term contract.** This is not in your best interest nor is it consistent with the concept of partnership. With the industry changing so rapidly, you don't want to find yourself in a situation where you can't pivot when necessary.
- **4. Avoid paying any annual software fees up front.** What happens if your new partner falls short of their promises? Paying in advance gives away your leverage. How will you hold them accountable? And what happens if your partner runs out of money in the midst of your contract year?

5. If the price sounds too good to be true, it probably is.

Be sure you know exactly what you are getting for your money. Be on the lookout for variable changes. For example, per unit pricing can quickly increase with add ons like per minute, toll-free number, website domain, etc. Ask about additional charges. Also, ask for references, including those clients that have left. Get the full story.

- **6. Will they support you 24/7/365,** because the hospitality industry doesn't turn out the lights? If not and you have a problem serving guests, who will be there to help you?
- **7.** If they are cloud-based or use several technologies to pull together a point solution, **make sure they have redundant partners.** Does it affect your business operations if something goes down? This is most critical when the technology under considerations controls the cash register.
- **8. PCI Compliance** is required these days. If you use vendors that are involved in any stage of payment processing, (I.E. Call recording, PMS, etc.) it's essential for your safety that they are PCI Compliant, not just "friendly". In the end if their system gets hacked and guests credit card data is stolen, you're the one who is held liable.

Ensuring that the answers to each of these questions are satisfactory-or, ideally, greater than your expectations—before signing on the dotted line will help avoid what can be major technology problems down the road.

Use the following as a guide for what to ask and what to demand of your technology providers