



Hilton Hawaiian Village® Waikiki Beach Resort

STORY BEHIND THE SUCCESS





Overview

The landscape of the global hospitality industry continues to change at a rapid pace. Many trends drive these dynamics, including industry disruption from new competitors like AirBnb and VRBO, travel preferences and the disparity across generations (baby boomers vs. millennials), and acquisitions and resulting brand consolidation.

To remain an industry leader, Hilton Worldwide recognized the need for continuous innovation and the need to proactively manage and at certain points, reinvent, its portfolio of brands to cater to travelers of all types with the goal of transforming its properties into destinations.

In alignment with its brand portfolio transformation goals, Hilton Worldwide recognized the opportunity to transform and modernize its business processes around budgeting, planning and management reporting. The process re-engineering led by SC&H Group resulted in a new investment in cloud-based enterprise performance management solutions from Oracle.



Founded in 1919 with a 40-room hotel in a small Texas town



Over 4,900 properties in 104 countries & territories & nearly 300,000 employees



14 brands, including the flagship Hilton Hotels & Resorts brand

To achieve this complete transformation, Hilton Worldwide, together with its business partner in SC&H Group, deployed Oracle's Planning and Budgeting Cloud Service (PBCS) to over 2,500 users across the globe. PBCS, one component of Oracle EPM cloud solutions, provides the global coordination, collaboration and visibility to Hilton's executive management team, property managers/operators and franchisees resulting in timely analyses and insights that are essential to measuring and maximizing the profitability across each of its over 5,000 worldwide locations.

Hilton Guangzhou
Baiyun

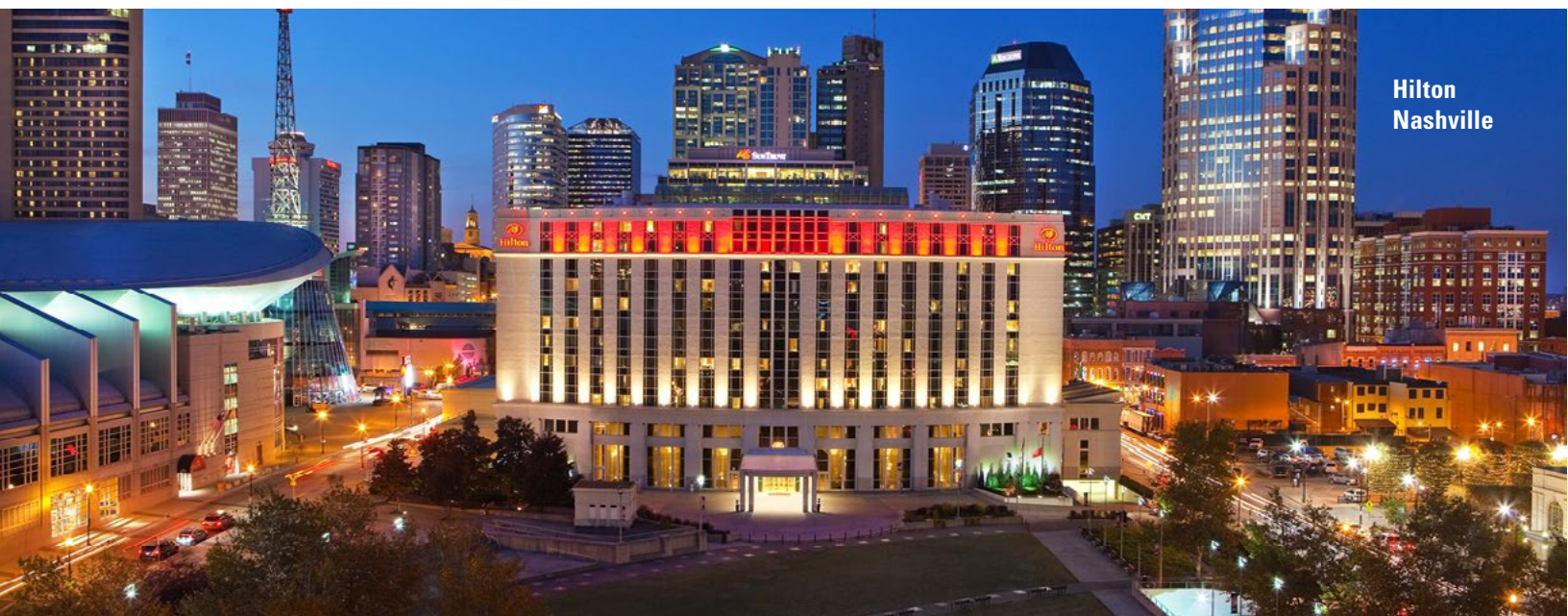


The Hilton Perspective

At a time when competition in the hospitality industry is more competitive than ever, the reliance on accurate budgets and forecasts has become ever critical for senior leadership to make effective decisions to drive the business forward. We were at a point where our property-level budgeting and forecasting system simply was not meeting the needs of our global user base and was hindering our ability to make nimble decisions. Since the system was located in United States, performance and maintenance windows were having a detrimental effect on our international Directors of Finance.

Anand Naimpally

*Senior Vice President Global Operations
Finance at Hilton Worldwide*



**Hilton
Nashville**



Business Challenges

Prior to moving to Oracle PBCS and aligning its business processes to support its property level budgeting, forecasting and reporting requirements, Hilton encountered the following challenges as part of its monthly planning and reporting cycles:

- Disparate business processes at the local and regional levels impacted Hilton's ability to produce timely, forward-looking results.
- Varying definitions of key metrics and drivers led to inconsistent reporting across the various global reporting regions.
- 20-year old legacy systems and outdated technology platforms created an unnecessary level of complexity in maintaining reconciled data integrations between applications.
- Limited use of historical data and trends to assess department (e.g., restaurants, golf course, etc.) or property level profitability.
- Heavy use of spreadsheets to collect data, consolidate results and publish reports to management.





Solutions

To address Hilton's property level budgeting, forecasting and management reporting needs, SC&H led the configuration and deployment of Oracle PBCS to Hilton's 2,500 global users. Meeting the needs of such a diverse user base and creating a unique, global model was the biggest challenge, and the biggest success. Hilton has thousands of properties; hundreds of which have various entities within the hotel. Some hotels have bars, restaurants, spas, golf courses and conference centers. It was important to implement a strategy for each region and determine what drivers were needed to predict the business. The solution consists of the following components:

- A cloud-based infrastructure that is both scalable, for Hilton's prolonged growth, and responsive to a diverse user base.
- Standardized driver-based planning model that leverages key performance indicators and historical data to support operational planning at the department level (based on a combination of trends and user inputs).

Hilton Schiphol,
Netherlands



- Data collection templates, task flows for process management and key reports that are accessible to all users via a web browser or via Excel through Oracle’s Smart View for Office add-in.
- Automated integrations with the on-premises Hyperion Planning and Hyperion Financial Management (HFM) solutions that are used by the Corporate Accounting and Finance teams to conduct the monthly consolidation and close process, as well as support the company’s ability to provide forward looking information to Wall Street analysts and investors.
- Re-engineered business processes and clear definitions that enable consistency across the planning processes, but also provide flexibility to account for the nuances of each individual property.

Hilton Cartagena,
Colombia





Results

SC&H implemented a budgeting and forecasting solution that was modern, global, scalable, and was considerably more efficient and effective. Leveraging key performance indicators, historical data and best practices, SC&H empowered Hilton with greater forecast accuracy. Now, every Hilton hotel manager has the capabilities to more effectively predict key drivers like monthly occupancy and food and beverage consumption patterns. Their increased predictive abilities enabled Hilton properties to make smarter decisions around room rates and staffing. Ultimately, SC&H's implementation of Oracle PBCS enabled Hilton to achieve the following benefits and outcomes:

- **ACCURACY** – 40% improvement in global EBITDA forecast accuracy.
- **EFFICIENCY** – the combinations of the new business processes and self-service data reporting capabilities created a more efficient and meaningful monthly planning and reporting cycle while empowering the business users to own the results.
- **CONSISTENCY** – established a level of standardization and simplification across the core business processes and systems that enabled Hilton to plan and report EBITDA at the property level as well as assess location and department profitability for each hotel.

- **STABILITY** – the Oracle EPM Cloud platform, and PBCS in particular, provided a stable technology foundation to support the global deployment and the scalability required for both Hilton’s large user base and its evolving data collection and reporting requirements.
- **VISIBILITY** – insights to the underlying drivers, assumptions and metrics that are the backbone in formulating forecasted results at the hotel department level. For each hotel, Hilton now has the ability to pinpoint occupancy trends and customer spending habits, which help identify opportunities, manage costs, and predict revenue.



Hilton Batumi,
Georgia



Keys to Success

One of the keys to the success of the project was empowering Hilton’s leadership team to champion the project and encourage user adoption. Hilton’s CFO opened lines of communication with the company’s management teams and provided their staff with regular updates on the project each quarter, explaining how the new solution would improve the process, and ultimately benefit the company. Because of this, employees bought into the strategy and quickly adopted the new Oracle PBCS planning solution.

SC&H’s team-based implementation approach was essential in enabling Hilton’s finance and accounting personnel to own and operate the Oracle PBCS solution from Day One, while the following additional factors were imperative to the success of this transformative initiative:

IMPLEMENTATION APPROACH – Hilton included stakeholders throughout the duration of the project within the pre-defined boundaries of global principles and objectives that were rooted in establishing consistency and driving standardization.

SOLUTION DESIGN – Hilton agreed with SC&H’s core approach to allocate the right and sufficient amount of time at the beginning of the project to formulate an intelligent solution design (as opposed to rushing through the design to begin the development of an application).

ACCOUNTABILITY – by including key stakeholders and not short-cutting the process, SC&H provided Hilton’s users with reporting and analytical capabilities that helped to improve the way they work, and in turn, empowered them to own the process and the results.

This was no minor undertaking for SC&H, and neither was its determination to fulfill Hilton’s goals. Both SC&H and Hilton devoted the necessary personnel and time to the implementation of the project. The solutions proposed and implemented by SC&H were not, and never are, quick fixes designed to satisfy a client. Every solution is comprehensive and doesn’t just satisfy – it resolves a need.

At SC&H, we create relationships that last a lifetime, because we build committed teams dedicated to the health and longevity of the companies we serve. It was this level of dedication that led our partners at Hilton to call us ‘the gold standard of consultants.’ As it stands, our partnership with Hilton has lasted more than six years, and we expect to produce many more years of value for them.

Fran Burns

SC&H Managing Director – Oracle-Hyperion EPM and BI Consulting Practice

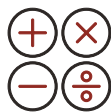


Hilton Budapest
Hotel

The Hilton Perspective

The deployment of Oracle's PBCS in three global data centers (Chicago, Amsterdam and Sydney) has ensured consistency across our entire user population and application availability during local business hours. The performance and capacity of PBCS provided us with the ability to deploy a robust yet standardized driver-based model globally. PBCS, allows us to change key performance indicators, such as occupancy or customers, which flow through the entire P&L without additional user interaction. Properties can now calculate and report in seconds and an entire region can be consolidated in a matter of minutes. This advance in technology is allowing our finance users, as well as regional directors, to focus their time on the metrics that drive the business versus building budgets and forecasts.

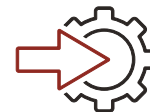
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Senior Vice President Global Operations
Finance at Hilton Worldwide*



Standardized
Calculations &
Historical Data



Improved Performance,
Through Cloud Based Services
& Regional Applications



Integrated
Budgeting &
Forecasting Tool



KPI Focused Forecasting
Versus Manual Data Input



Simple &
Accurate Reporting



About SC&H Group

SC&H Group is a nationally recognized management consulting, audit, and tax firm serving clients from rapidly growing private sector businesses to Fortune 500 companies with global brands. The firm's strategic practices provide the leading-edge thinking and advice that transform our clients' businesses and help them outpace the competition. We embrace the future and help clients prepare, innovate, and evolve their businesses in this complex and highly competitive world. For more than 25 years, SC&H Group has demonstrated its commitment to delivering powerful minds, passionate teams, and proven results on each and every engagement. Learn more at schgroup.com.



Platinum Partner
Since 2007



17 Years
EPM Specialist



200+ Clients
& Projects

Hilton Hotel
Camden Yards,
Baltimore

