



GENERATING BANKING & FINANCIAL SERVICES IMPACT

A hotel chain optimizes F&A operations through smarter processes and analytics



Client

A hospitality major

Business need addressed

Non-standardized processes, which were impacting accounting operations

Genpact solution

- Process standardization and consolidation of F&A operations and implementation of best practices
- Better tracking of process metrics through customized dashboards and reporting tools
- Robust change management

Business impact

- Increased reconciliation accuracy to 97%
- Shortened book-closure times

A hospitality company with over 100 hotel properties in North America had inefficient accounting operations due to disparate and manual processes. Genpact did a thorough analysis of F&A operations across all properties and implemented solutions to streamline the processes resulting in significantly greater efficiencies.

Business challenge

The client has over 100 owned and managed hotels in North America spread across 32 locations, 6 time zones, and 8 different sets of books. Each of the hotels had extensive manual processing and diversified upstream processes that the client wanted to standardize. The general ledger (GL) process, especially reconciliations activity, was not standardized and back-ups were different across properties. The process to record the transactions was highly decentralized and had a lot of dependency leading to delays in accounting and reconciliation. There was no proper tracking mechanism for month-end close. The client also wanted to migrate its ERP from the incumbent system to Oracle. This involved multiple vendors working on changes to the downstream and ERP systems.

Solution

Genpact did a detailed analysis of the process during the solution-identification stage and came up with a phased roll-out solution for the 118 properties. A roll-out schedule was formed and approximately 6 to 8 properties were migrated to the new environment every month. Transition and stabilization teams from the customer side and Genpact had to drive change management and address concerns with end customers through regular communication. Eventually standard accounting policies were rolled out to all 118 properties for consolidated reporting.

The rollout of the new operating model included:

- A book of knowledge to bring in process standardization, which has now become a corporate mandate

- To drive standardization, 75% of the properties were transferred to preferred banks
- Transition and stabilization teams from Genpact understood the nuances of each property through individual calls with each property. These teams were given responsibility for handling the activities during the first month, starting with migration from legacy systems to the new ERP till lockdown of financials and handover to the operations team from the next month
- Remote training was done by certified trainers for future ramp-ups, and each training batch had to successfully complete the simulation of the month-end closing processes, after which they were certified to perform the activities
- Customized reporting dashboards like the “Reconciliation Tool” and the “Governance Tool” were introduced, which enabled better tracking of process metrics
- Post the “go-live” stage, weekly calls were conducted with the properties to identify post-migration pain areas and each item was tracked and resolved, which helped build confidence

Business impact

The end-to-end approach taken by Genpact resulted in the following:

- The reconciliation timelines and accuracy increased to 97%
- Closing could be done within day 2 of each month with 98% accuracy

About Genpact

Genpact (NYSE: G) stands for “**generating business impact.**” We are a global leader in digitally-powered business process management and services. Our **Lean DigitalSM** approach and patented Smart Enterprise ProcessesSM framework reimagine our clients’ operating models end-to-end, including the middle and back offices – to deliver growth, efficiency, and business agility. First as a part of GE and later as an independent company, we have been passionately serving strategic client relationships including approximately one-fifth of the Fortune Global 500, and have grown to over 75,000 people. The resulting domain expertise and experience running complex operations are unique and help us drive choices across technology, analytics, and organizational design.

For additional information, contact, banking.solutions@genpact.com and visit, <http://www.genpact.com/what-we-do/industries/hospitality>, <http://www.genpact.com/what-we-do/business-services/finance-accounting>

Follow Genpact on Twitter, Facebook, LinkedIn, and YouTube.

© 2016 Copyright Genpact. All Rights Reserved.

92801_CS_AHotelChainOptimizesF&AOperations_US_100416