

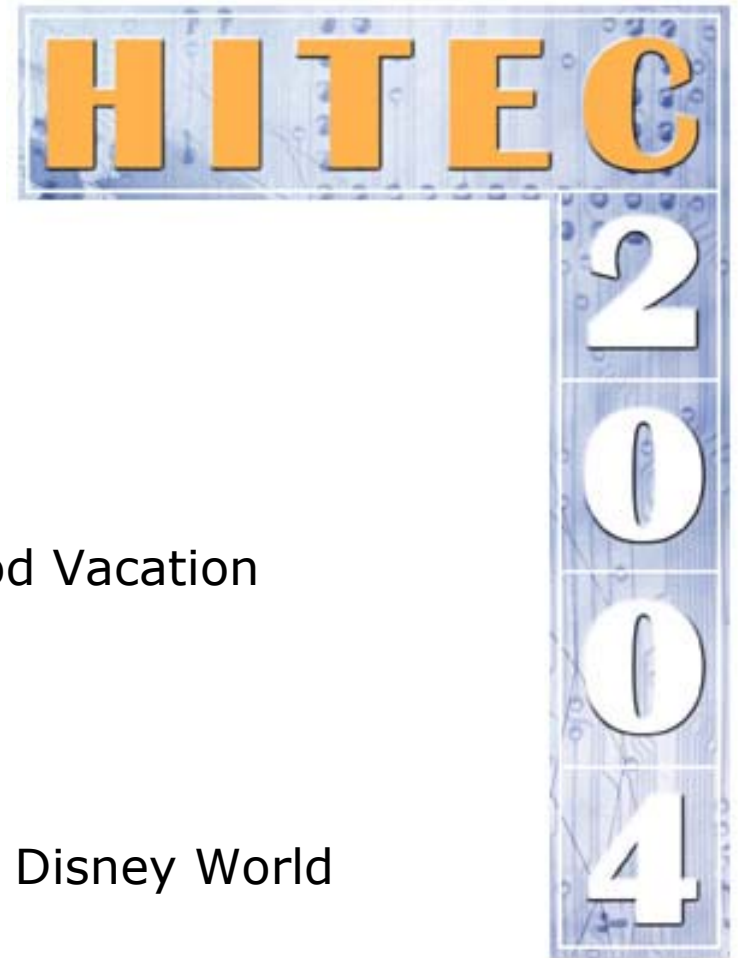
Converging

Timeshare & Lodging Systems



What to Look for in a Mixed-Use Facility





Panel:

Ian Cole

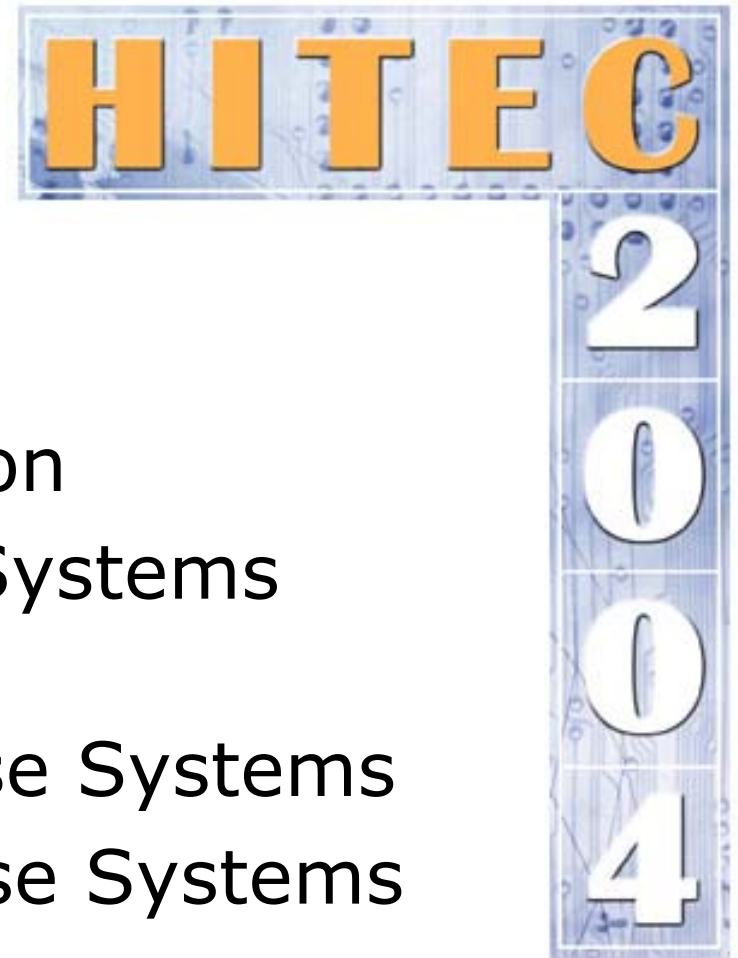
Director, Strategic Technology – Starwood Vacation
Ownership

Steve D’Erasmus

Manager, Information Technology – Walt Disney World



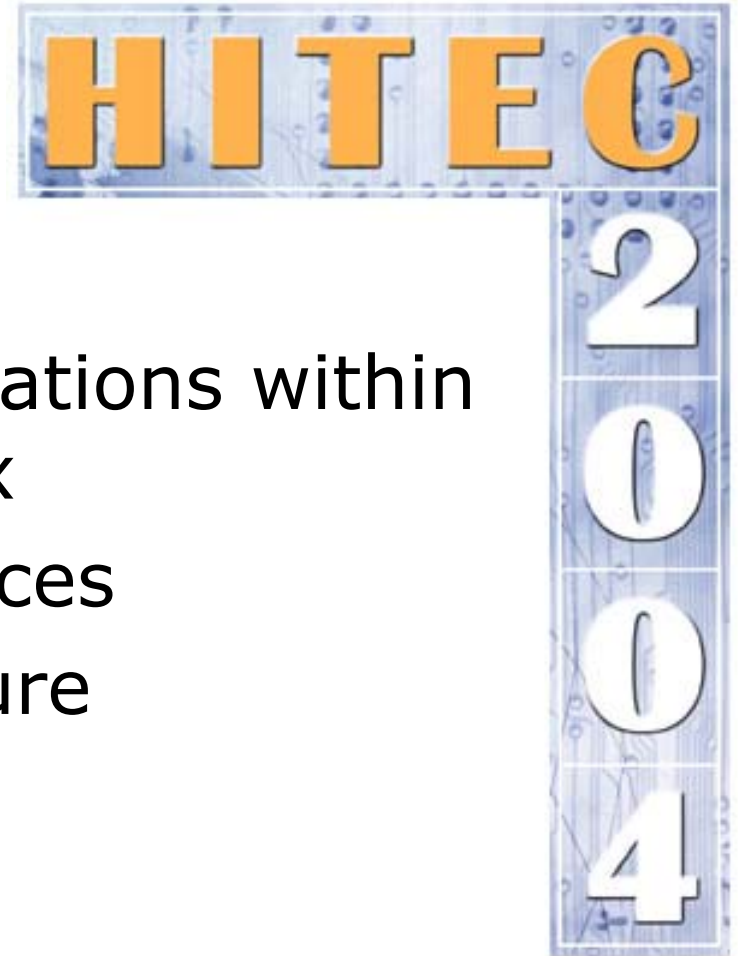
Session Overview



- Mixed-Use Model definition
- Lodging and Timeshare Systems Overview
- Functionality of Mixed-Use Systems
- Convergence of Mixed-Use Systems
- Future of Mixed-Use Systems



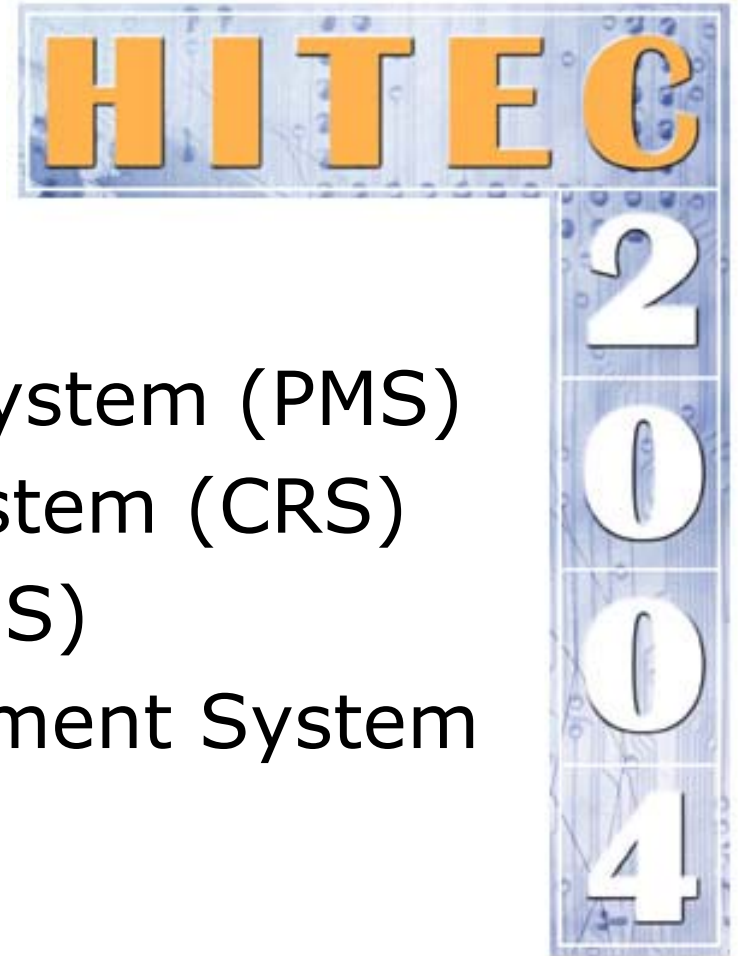
What is the “Mixed-Use Model”?



- Timeshare and Hotel operations within same property or complex
- Shared facilities and services
- Multiple ownership structure
 - condo association
 - single owner
 - Management company



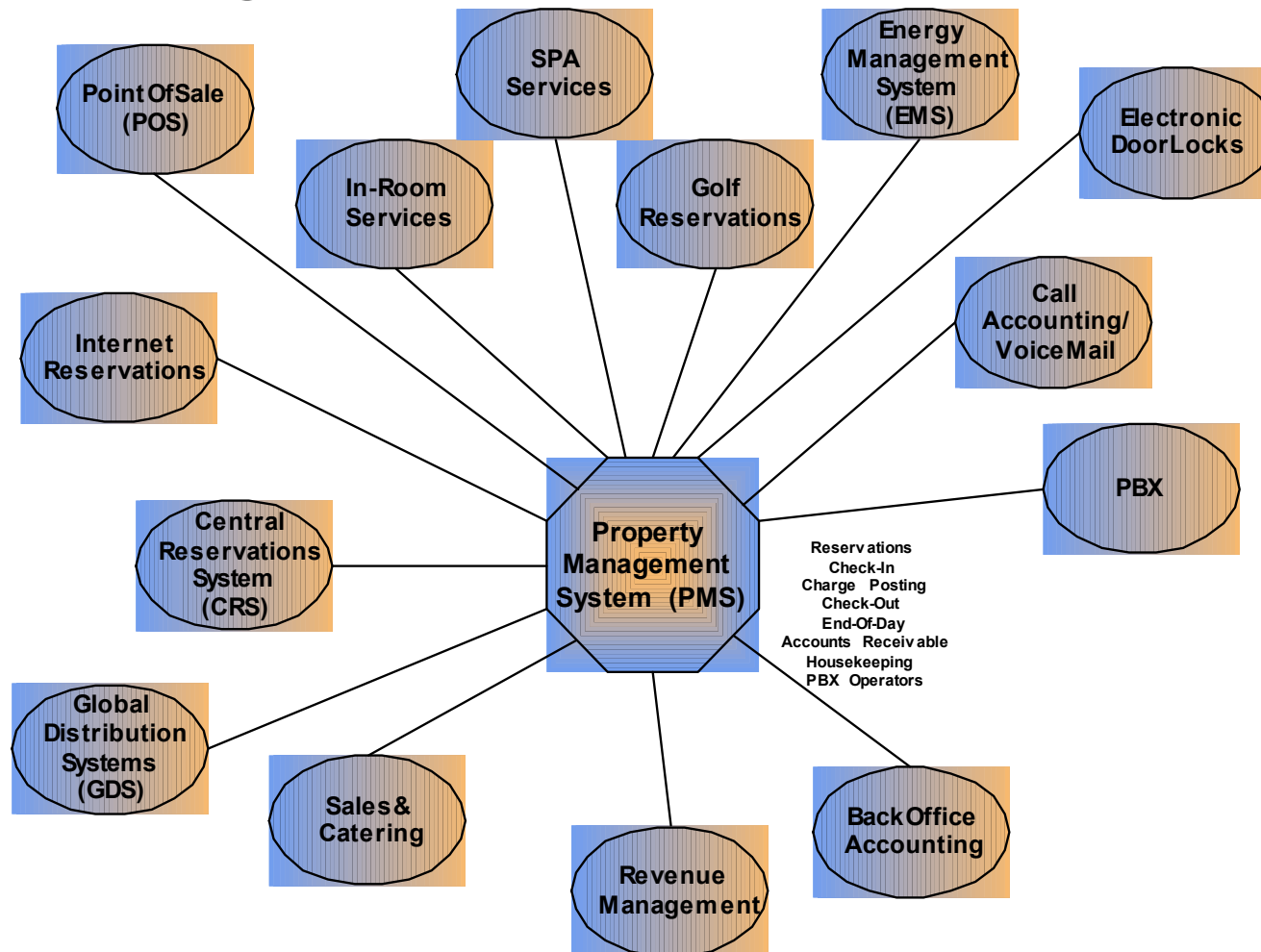
Typical Lodging Systems Overview



- Property Management System (PMS)
- Central Reservations System (CRS)
- Point of Sale system (POS)
- Yield / Revenue Management System
- Sales / Catering System
- Lots of interfaces



Typical Lodging Systems



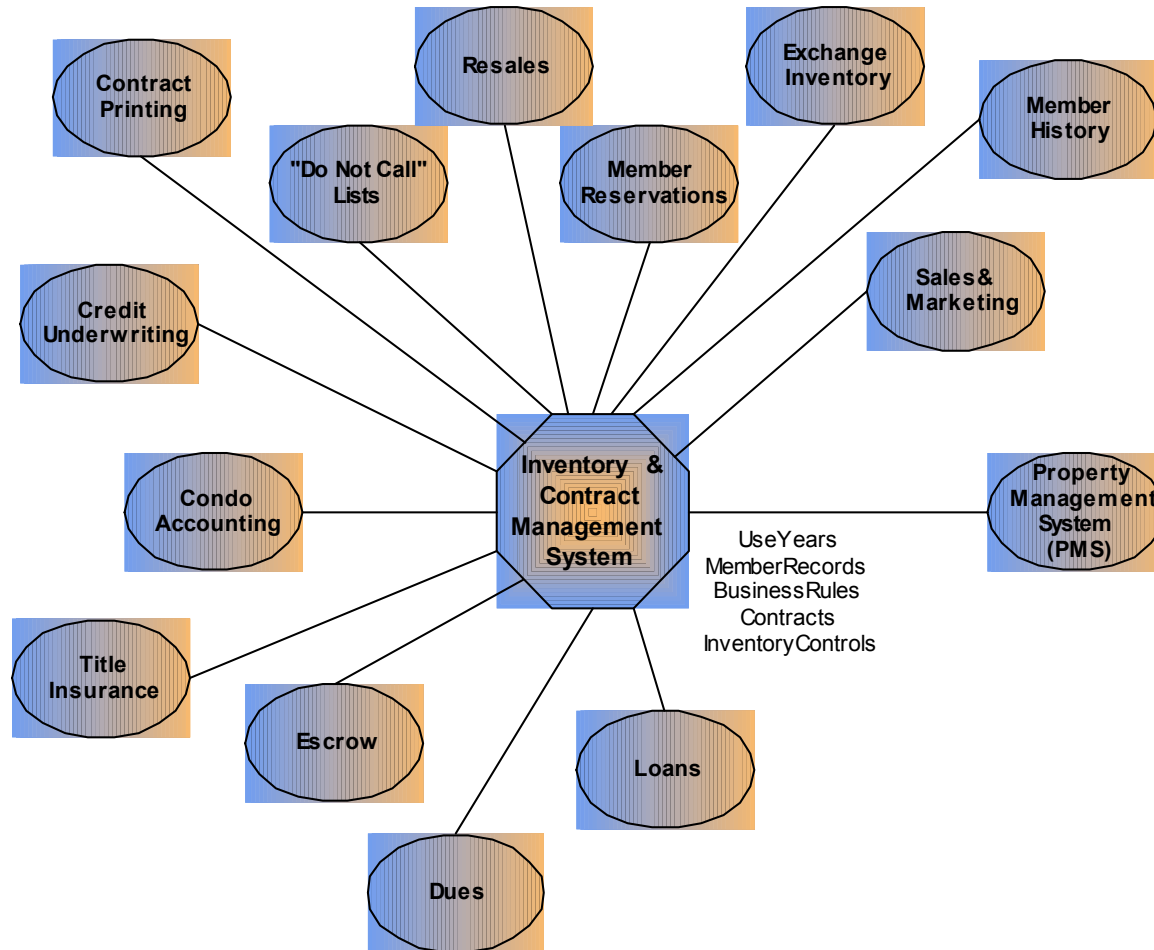
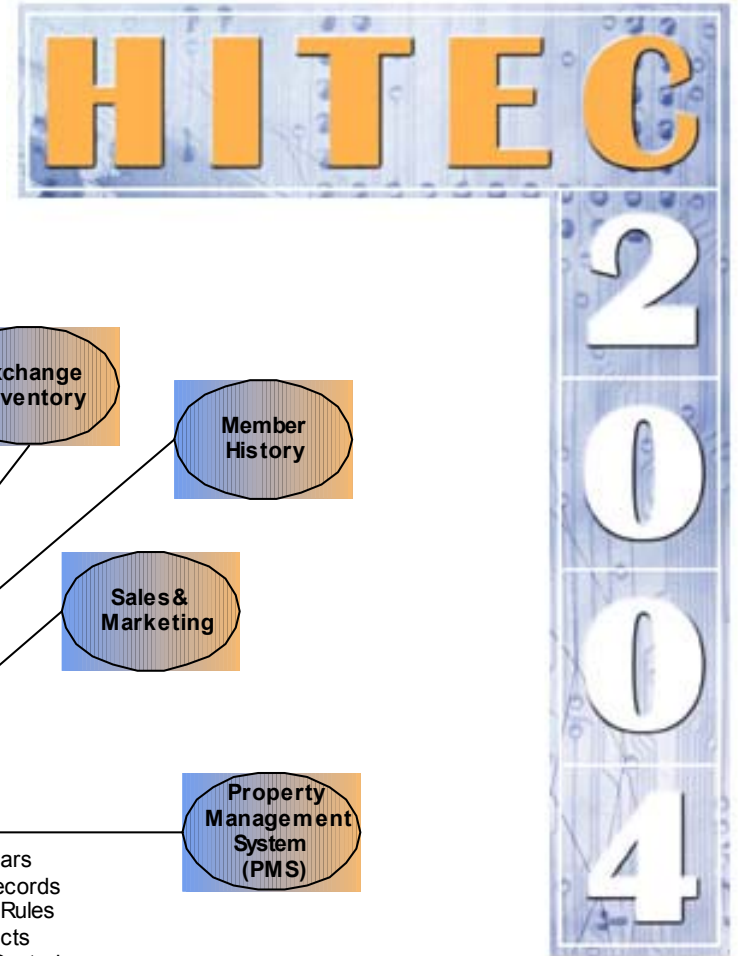
Typical Timeshare Systems Overview



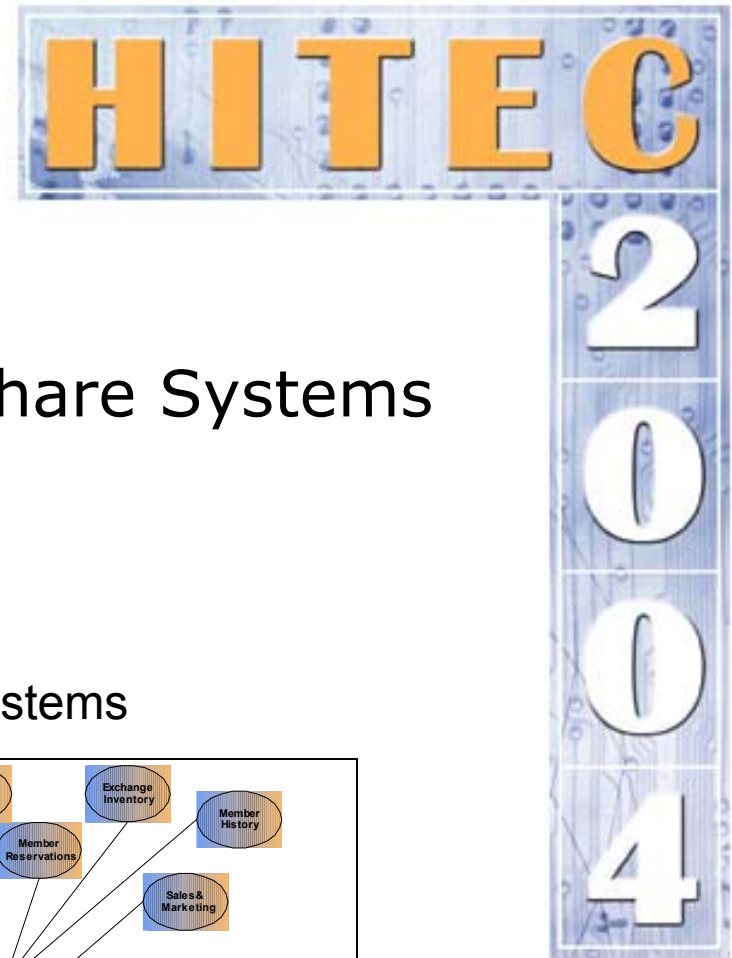
- Sales and Marketing Systems
- Owner / Member Management
- Owner / Member Reservations
- Property Management System (PMS)
- Home Owners Association Systems (HOA)
- Mortgage Systems
- Escrow / Re-Sales



Typical Timeshare Systems Overview

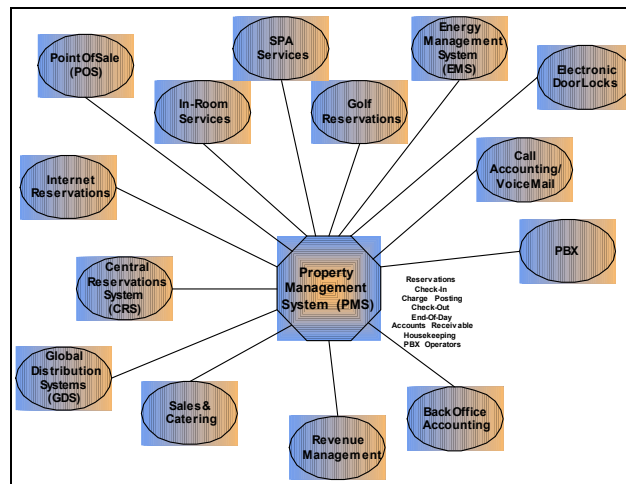


Mixed-Use Systems Overview

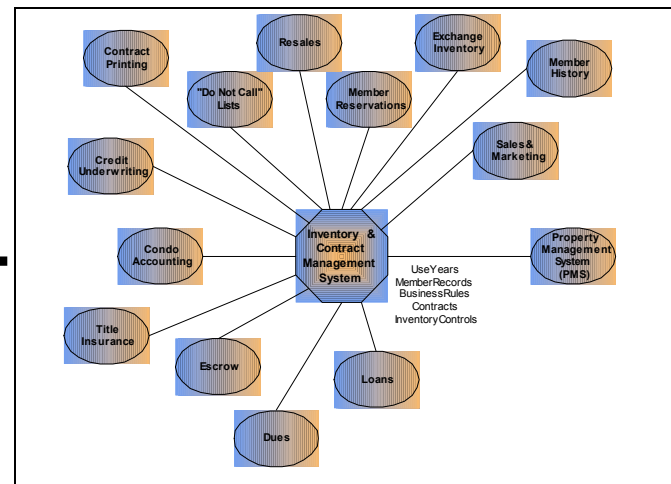


Combine the Lodging and Timeshare Systems

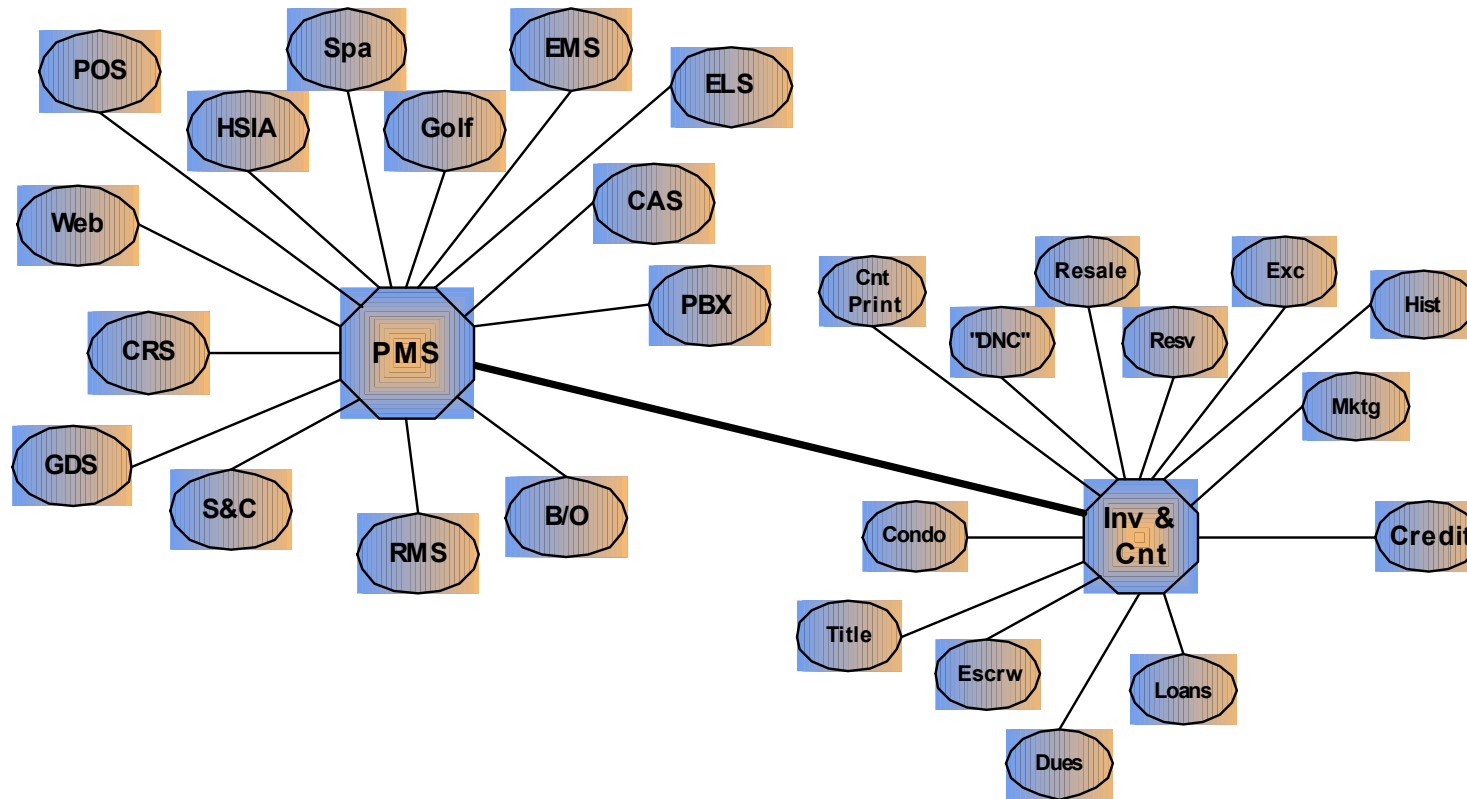
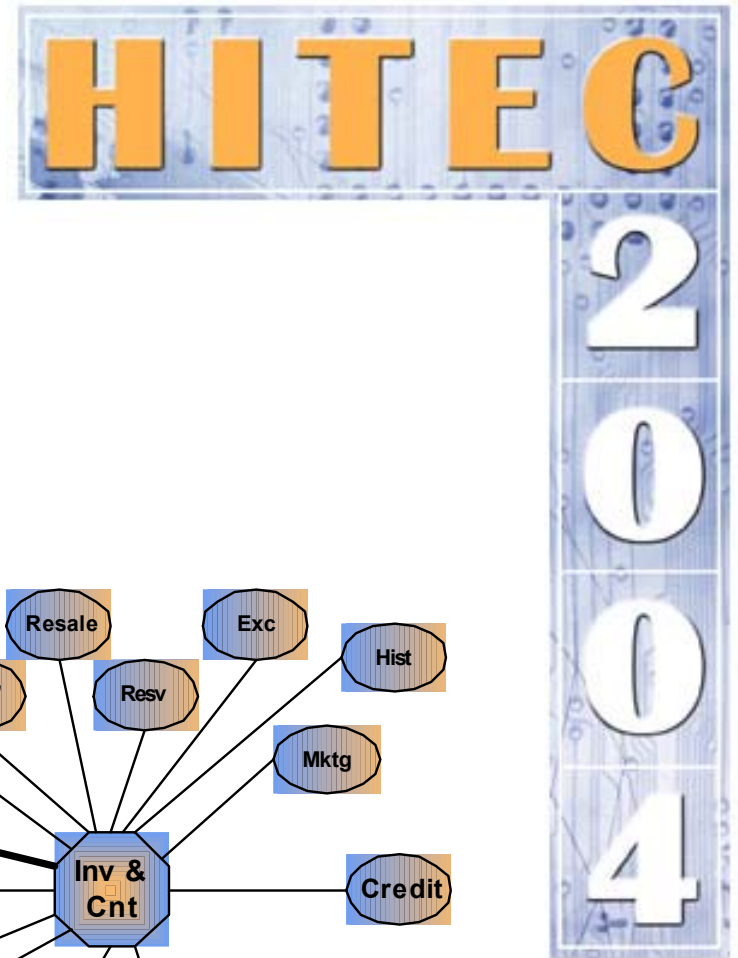
Lodging Systems



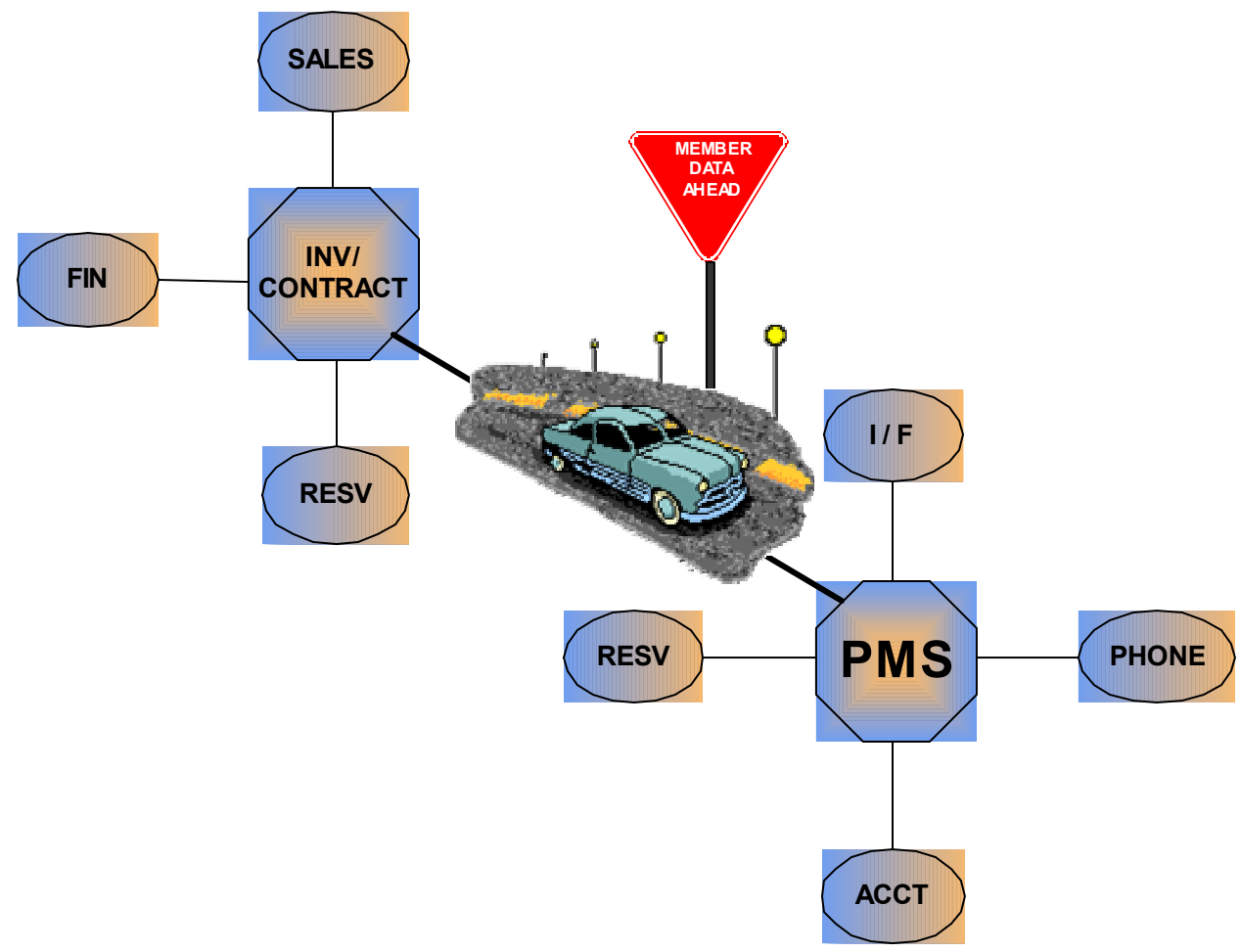
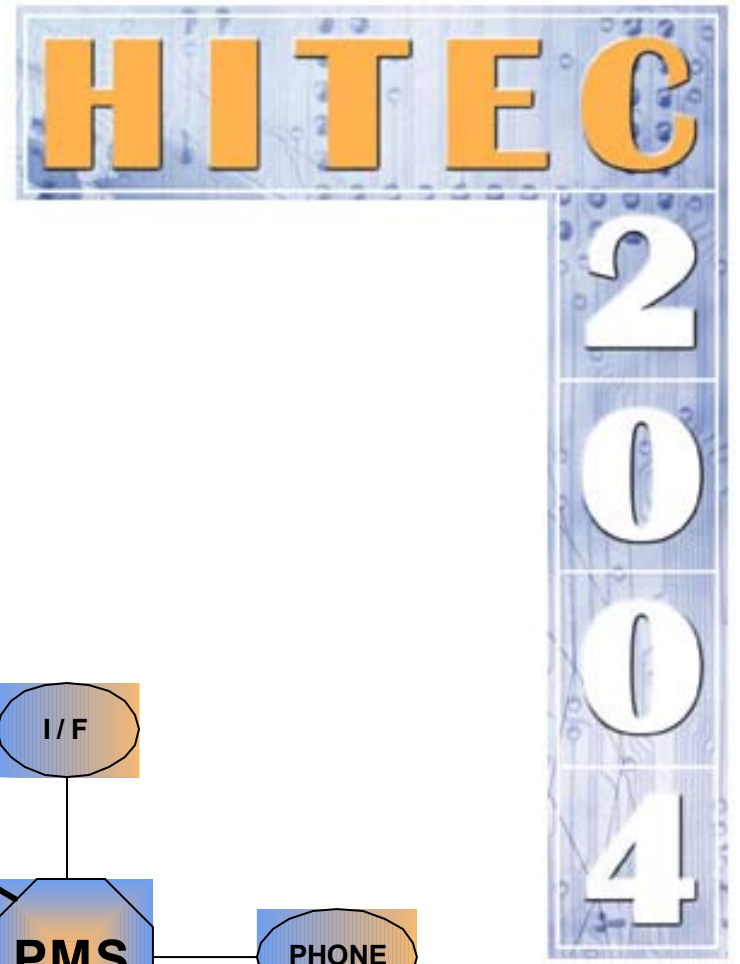
Timeshare Systems



Mixed-Use Systems Overview



Simplified Mixed-Use Systems Overview



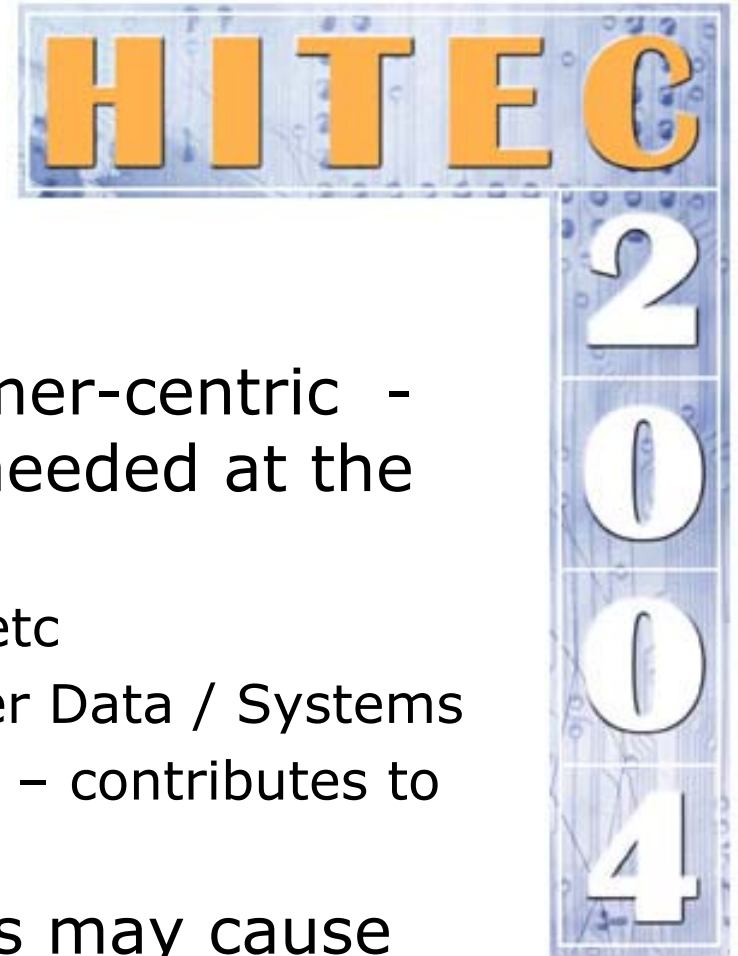
Owner / Member Management



- Owner / Member "Rights"
 - Unit Type / Size / View
 - Booking windows
 - Home resort vs. system wide rights
 - Exchange Company
 - Frequency program (Hotel points...)
- Special Reservations Channels
 - Unique call centers
 - Members-only web sites



Owner / Member Management



- Timeshare systems are customer-centric - that customer information is needed at the property level
 - Simple - use reservation notes, etc
 - Better - Property access to Owner Data / Systems
 - Ideal - PMS is "aware" of owners - contributes to Owner profile
- Property ownership differences may cause information sharing challenges (franchise / joint-venture)

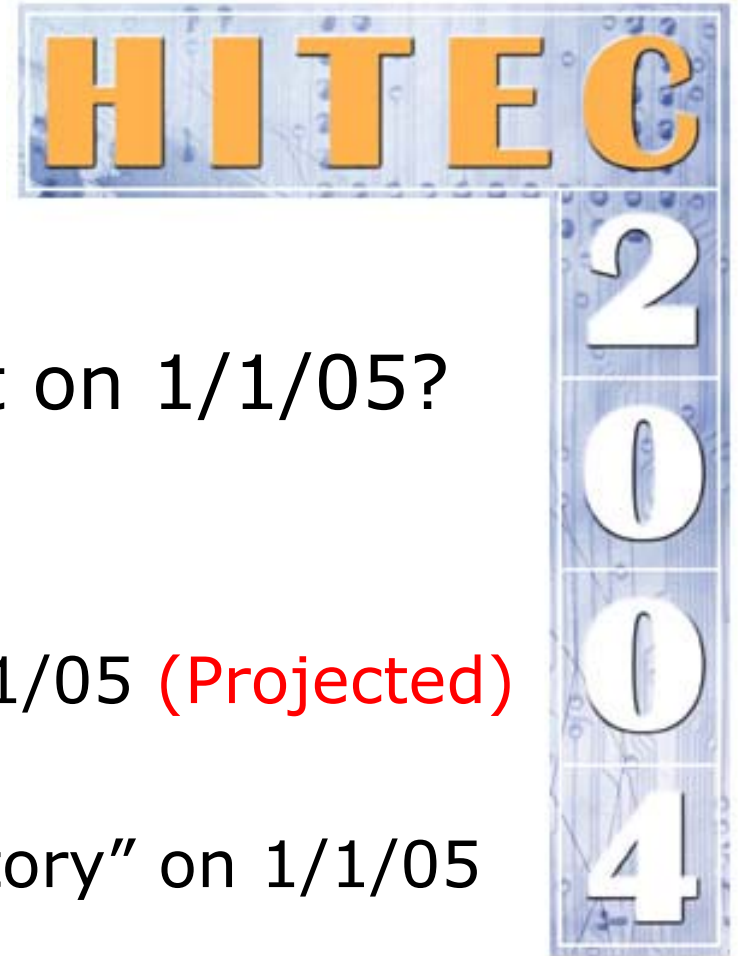


Inventory Management

- What's your model?
 - Fixed weeks, float, points
 - 7 day, splits, daily
 - Combined vs. Separate (Inn / Villa)
- How much inventory do you have?
 - Projected and Actual C/O dates
 - Projected Sales Pace
 - Projected Exchanges / Conversions
- How much inventory can I rent (Which day?)
"Developer inventory"
 - Monetized via rental inventory
 - Market through alternate systems (GDS, CRS)



Inventory Math



How many rooms can I rent on 1/1/05?

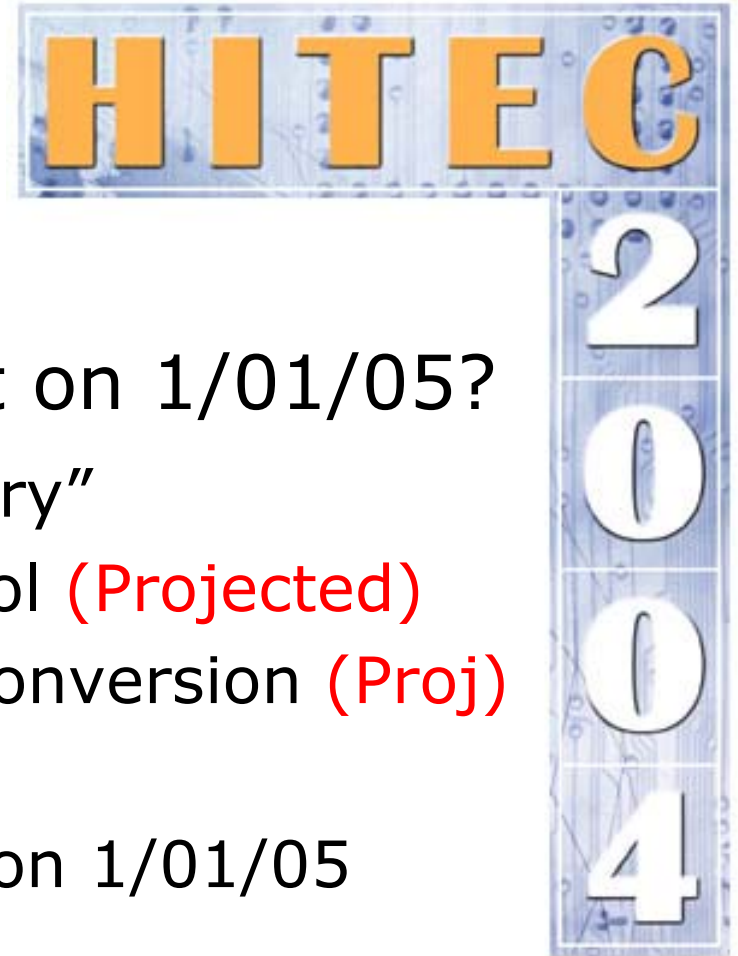
- 100 Villas as of 6/22/04
- 60 Sold as of 6/22/04
- 20 Sales from 6/22/04 to 1/1/05 (Projected)

20 Rooms "Developer Inventory" on 1/1/05

But Wait...There's More!



Inventory Math



How many rooms can I rent on 1/01/05?

20 Villas "Developer Inventory"

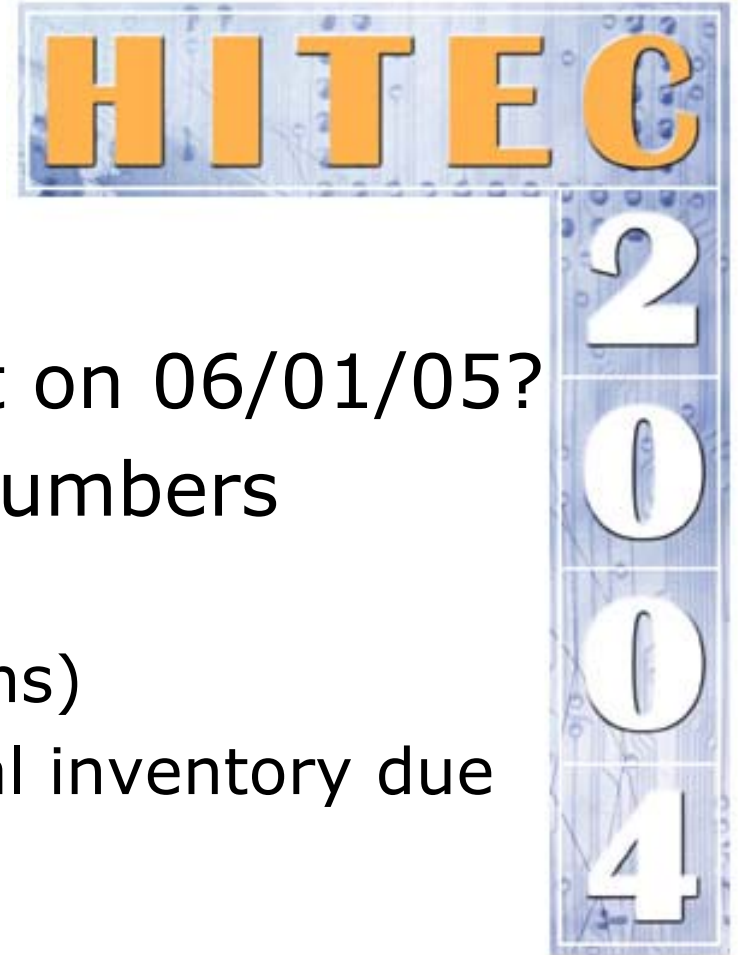
+ 15 Villas in Owner Rental Pool (Projected)

+ 5 Villas from Hotel Points conversion (Proj)

40 Rooms available for rent on 1/01/05



Inventory Math



How many rooms can I rent on 06/01/05?

- Same formula, different numbers
 - Different # of owners
 - Different sales pace (seasons)
 - Different amount of physical inventory due to construction
 - Etc.



Reservations



- Members in Good Standing
- Booking windows
 - What, where, when
- Points chart ties to accommodations based on season
- Exchanges
 - External, internal, private affiliates, chain-wide options



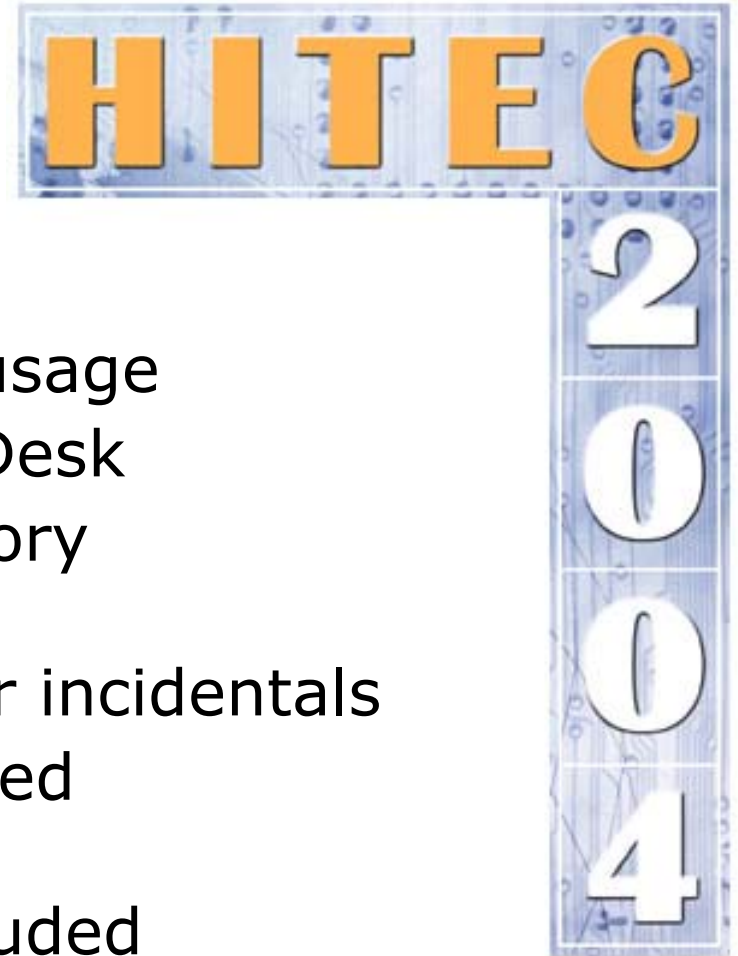
Reservation Issues



- Zero rate = ADR FUN
- Likely have separate systems / call centers for Owner vs Transient reservations
- Reservations flow from Owner Reservation system to PMS
 - How much information gets transferred?
 - When does the reservation flow to PMS?
- Information flow back to Ownership system
 - Changes at the property level
 - Consumption data
- State requirements for tracking reservation denials



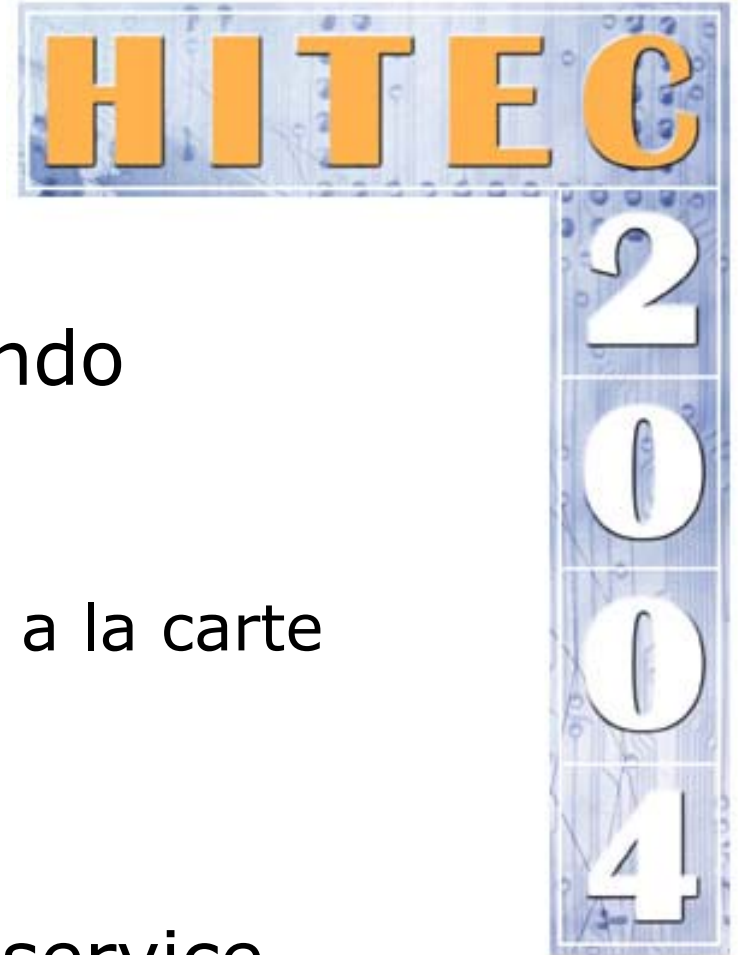
On-site Servicing



- Auto check-in for fixed week usage
- Separate vs Combined Front Desk
- Separate vs Combined Inventory
 - Complex / Tower Logic
- Establishing credit for member incidentals
- Metrics need to be differentiated
 - The dreaded **ADR** question
- Entitlements and services included
 - Auto-posting for extras and a la carte requests
 - Charging by guest type
 - Posting rhythms



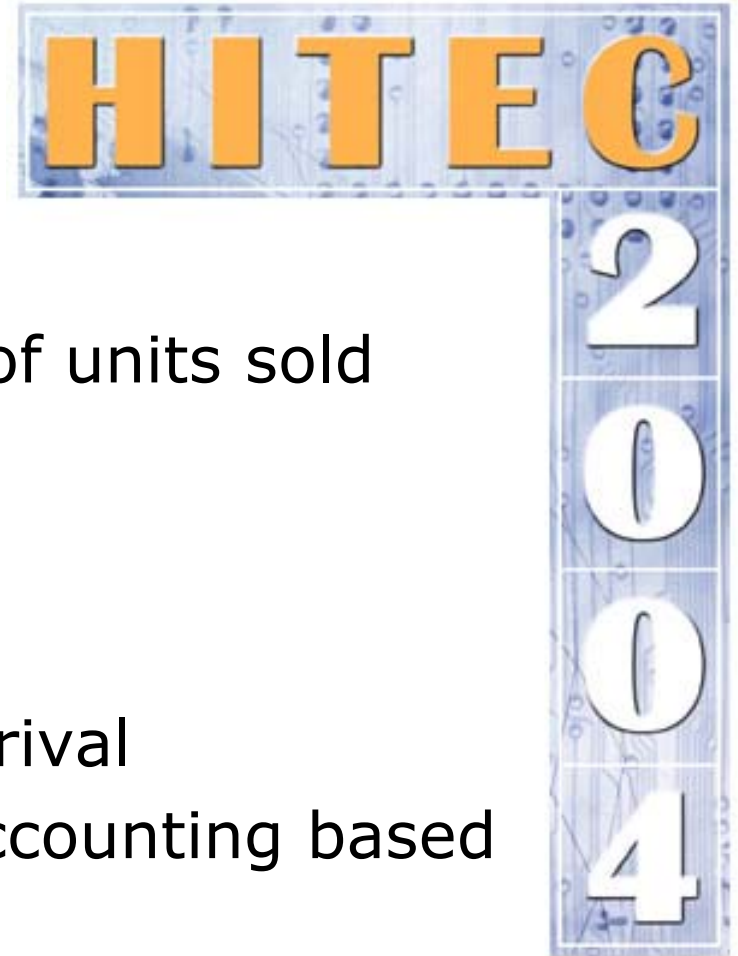
Housekeeping



- Operating expense for Condo Association
- Types of service offered
 - Auto-posting for extras and a la carte requests
 - Charging by guest type
 - Posting rhythms
- Reports to reflect level of service desired
- Tracking amenities
- Complex inspections



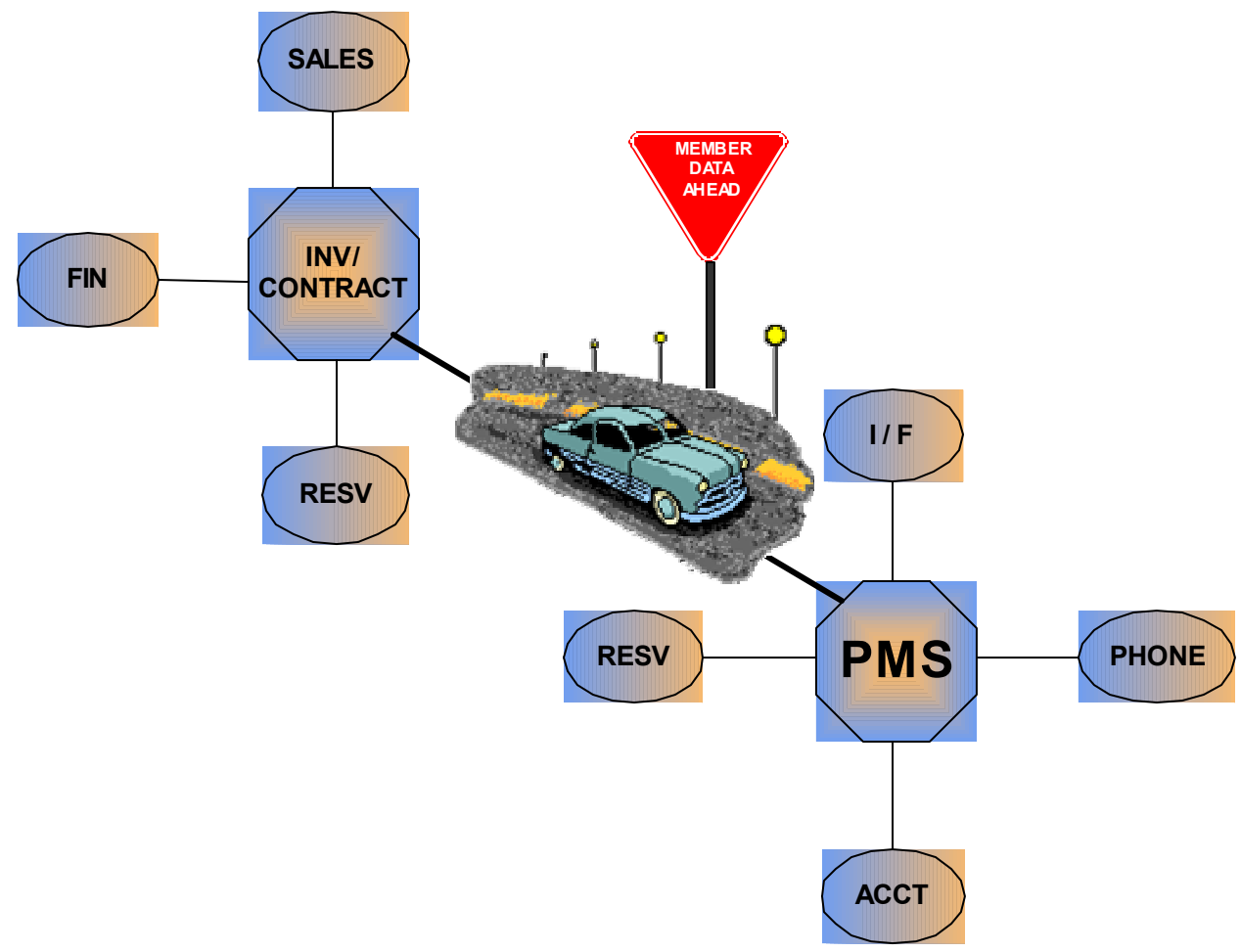
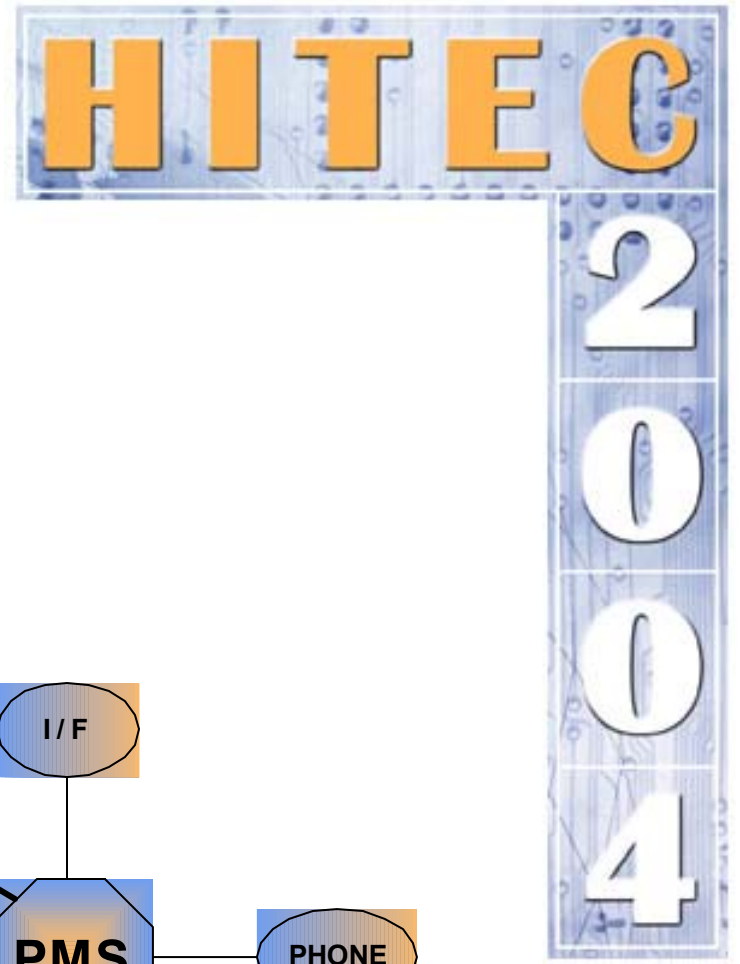
Administrative



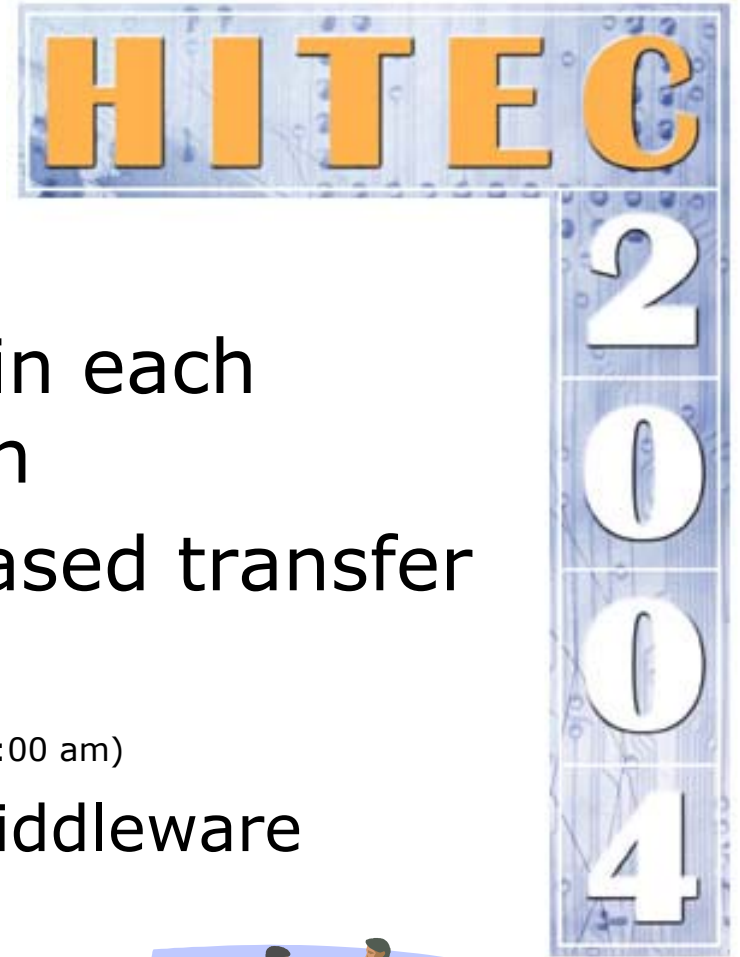
- Lock-offs = dynamic number of units sold
- Use-years (a.k.a. things expire)
- Tie-in to Affinity programs
 - member profile vs. CRM profile
- Modifying reservation upon arrival
- Multiple ownership requires accounting based on source of inventory
 - Developer, points conversion, owner rental
- Reporting needs are many



Simplified Mixed-Use Systems Overview



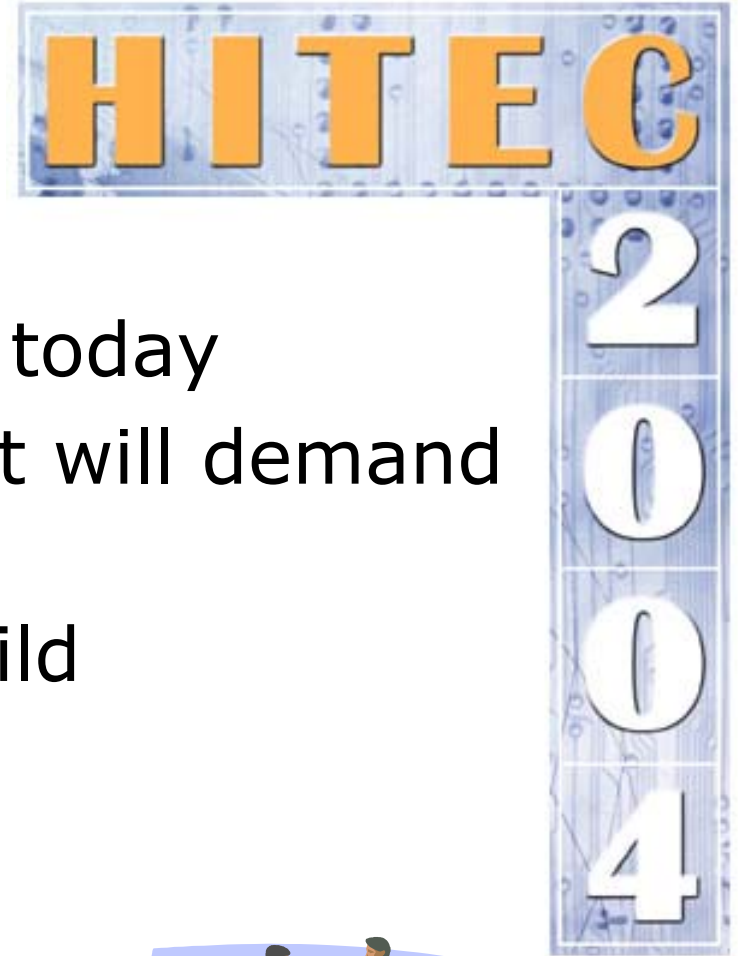
Bridging the Gap



- Interfaces – custom code in each system to pass information
- Middleware – standards based transfer of information
 - Wednesday morning session (8:00 am)
Disparate Systems / Middleware



Looking Ahead



- No one solution does it all today
- More players in the market will demand turn-key solutions
 - If we can't buy, we'll build
- Understand your needs
- "One version of the truth"



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Questions

