

HYATT HOTELS CASE STUDY

Hyatt Hotels Corporation

Hyatt Hotels Corporation, a global leader in hospitality since 1957, managing over 850 properties worldwide, sought to update its procurement function. With a revenue of more than \$4.4 billion, Hyatt aimed to enhance operational efficiency, achieve better control over expenditures, and, of course, deliver world-class hospitality services.

THE CHALLENGE

As one of the best Hotel chains in the world, it was crucial for Hyatt Hotels Corporation to automate its procurement function. When Hyatt started the bidding process with the criteria of having cloud based solution to have a paperless POs with corporate's requirement of having a centralized purchasing and accounting system to have more control over their spend. BirchStreet was selected for its hospitality experience and ability could meet all of their specified needs.

HYATT SET KEY OBJECTIVES

- Transition to a cloud-based procurement platform
- Implement a paperless Purchase Order (PO) system
- Centralize purchasing and accounting processes
- Improve spend visibility, control, and compliance
- Enable detailed reporting and product forecasting

THE SOLUTION

BIRCHSTREET SYSTEMS

Hyatt chose BirchStreet Systems for its extensive knowledge of the hospitality industry and all-encompassing solutions. Acknowledging the pivotal role of procurement as the heartbeat of hotels, BirchStreet offers a comprehensive system specifically crafted to streamline and enhance daily operations, as highlighted by Paul St. John, Vice President of the Sales Division at BirchStreet Systems. Key features encompass:

Automated Procurement Workflow:

This system follows the daily workflow of hotel procurement teams through modular automation, ensuring efficiency and accuracy.

Supplier Interaction: The platform facilitates seamless interaction between hotels and various suppliers.

Data Security and Privacy: It's critical to prioritize the security of data and privacy. Paramount to their approach is a commitment to maintaining the confidentiality and integrity of the information processed through their platform.

Reporting and Automated Dashboard:

The system includes robust reporting capabilities, complemented by an automated dashboard. This empowers hotels with the tools to analyze and visualize data, aiding in decision-making and strategic planning.

Inventory Management: BirchStreet helps organizations manage their inventory effectively, maximizing on-hand counts and ensuring efficient stock control.

Global Reach: With solutions like AP-3 Way Auto Match designed for global organizations, it caters to the needs of businesses operating internationally. This aligns with the diverse portfolio and global presence of clients like Hyatt.

THE RESULTS

The implementation at Hyatt yielded significant results:

- **40% Savings in Invoice Processing Labor Costs:** A substantial reduction in the labor costs associated with invoice processing by utilizing shared services in the Accounts Payable (AP) department.
- **2-5% Savings as a Percentage of Total Spend:** A significant reduction in spending, contributing to cost savings.
- **20% Overall Purchasing Spend Reduction:** Centralized and controlled procurement processes led to a notable reduction in overall purchasing spend, boosting the organization's cost-efficiency.
- **70% Faster Invoice Processing Time:** Significantly faster invoice processing, resulting in improved financial operations.
- **80% Purchasing Compliance:** Increase in purchasing compliance, ensuring that budget allocations and procurement guidelines were consistently adhered to.

“ With BirchStreet, we are able to see efficiencies in purchasing. We have the ability to control budgets from month to month and see exact invoices match up to the PO. The AP 3-Way Auto-Match module is a phenomenal tool. ”

Anne Hanch

SVP, Global Procurement at Hyatt Hotels