

Unlocking Efficiency.

HOW TO CHOOSE THE

Right ERP

FOR HOSPITALITY



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INTELLIGENCE
ACCOUNTING

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How to Choose the Right ERP for Hospitality

Introduction

Choosing the right ERP (Enterprise Resource Planning) system for your hospitality business is a crucial decision that can streamline operations, provide real-time insights, and boost profitability.

In this article, we'll cover the crucial steps and considerations that will help you identify the ERP that best aligns with your hospitality company's needs—from evaluating core functionalities to ensuring integration and scalability capabilities.



How does an ERP benefit hospitality management companies?

An ERP (Enterprise Resource Planning) system serves as a consolidated platform for hospitality companies to manage financial operations. It provides a single source of real-time information, ensuring transparency and accountability throughout the management chain.

The right hospitality ERP can also optimize labor efficiency, benefiting everyone from GMs to the accounting department. An ERP tailored for hospitality also helps hotel companies monitor, review, and benchmark performance across brands, regions, or the portfolio. This enables hospitality companies to enhance competitiveness, empower employees, and maximize profitability.



The ERP Selection Process:

THE ERP SELECTION PROCESS:

1 Assemble Your Team

When choosing the right hospitality ERP, the first step is to assemble your selection team. The team leader, or project champion, should be someone who is enthusiastic about the ERP's benefits and can inspire others with a vision for using modern software.

Given that various team members experience different pain points like slow systems, manual data entry, and fragmented information, it's essential to gather input from departments such as Accounting, Operations Management, and the Executive Suite.



2 Evaluate Current Systems and Future Objectives

The second step in the process is to evaluate current business processes to find out what is working well and what causes problems. This will form the foundation of your requirements list, which should include all the core functionality your team needs and objectives for eliminating pain points.

Consider questions like:

- Which processes are time-consuming or inefficient?
- Where do we lack the insight needed to make informed decisions?
- Which systems do we want to integrate, both now and in the future?

Creating a comprehensive requirements list can be time consuming, so we've assembled many of the core hospitality-specific requirements below for your convenience.

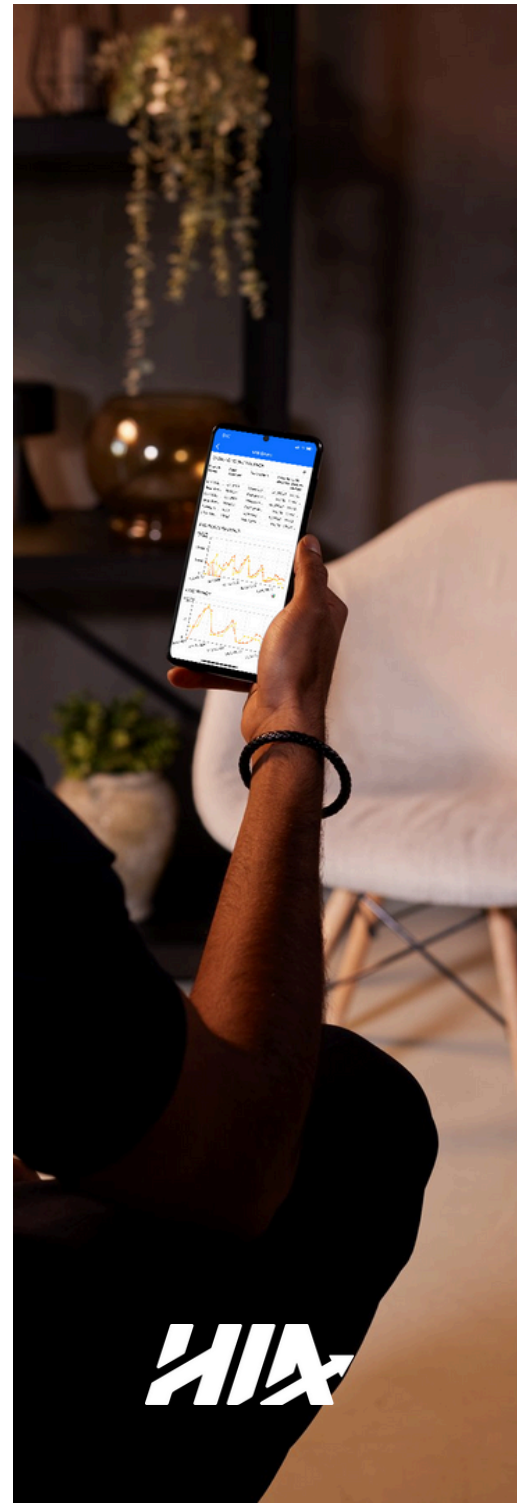
3 Identify Important ERP Features for Hospitality

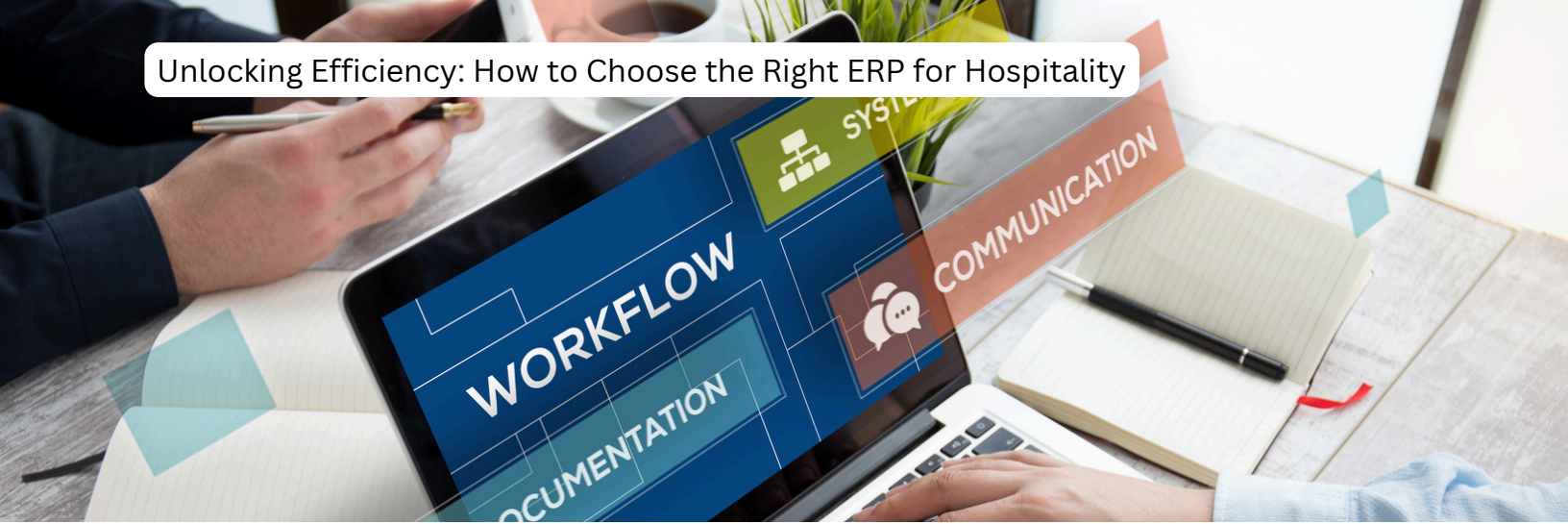
Hospitality Financials:

Managing hotels requires unique financial functionality, starting with the lodging chart of accounts, known as the Uniform System of Accounts for the Lodging Industry (USALI). An ERP tailored for hospitality should offer financial statements aligned with USALI standards. If the ERP is not built for hospitality, this may require customization.

Hotel Daily Report and Hotel KPIs:

In hospitality, the hotel daily report is an essential tool for monitoring key metrics like rooms sold, occupancy, ADR, RevPAR, and Cost per Occupied Room. Your ERP should feature these metrics in financial reports, and on visual dashboards in real-time. Dashboards for Property and Portfolio Flash Reports enable stakeholders, from GMs to COOs, to track performance and spot trends.





Time Saving Automations & Workflows for Hospitality:

Another key aspect of selecting the right ERP for hospitality is its ability to improve efficiency by automating tasks and streamlining processes with workflows.

Examples of automations and workflows include:

- Automated daily revenue journal entries from PMS & POS
- Recurring transactions like depreciation, accruals, or fixed management fees
- Dynamic approval processes for AP, purchase orders, or employee reimbursement

Enterprise Modules for Hospitality

Hotel companies often require a different set of ERP modules than other industries. For instance, hospitality companies do not require a Warehouse Management System (WMS), but they might benefit from modules like Accounts Receivable, Intercompany, Budgets & Forecasts, Fixed Assets, and Expense Management. Hospitality development companies may also want to consider Project Accounting capabilities. And companies with large portfolios may want to consolidate Purchase Orders, Inventory, and Contract Management.



Business Intelligence for Hospitality:

Utilizing hospitality-specific Business Intelligence (BI) on your ERP platform can offer significant benefits, providing real-time insights that go beyond traditional metrics. For example, hospitality-specific BI tools enable benchmarking of expenses and cost per occupied room across different regions or brands. These insights empower hotel companies to make data-driven decisions that optimize performance and profitability.

Labor Intelligence tools which blend labor data with operations and performance data enables hoteliers to monitor and control labor costs by tracking key metrics such as minutes per occupied room (MPOR), cost per occupied room (CPOR), overtime tracking, and wage data which can be segmented, layered, and drilled into.

4 Match Integration Capabilities

One of the main reasons to switch to a Hospitality ERP over standard accounting systems is the ability to consolidate data from multiple systems into a single platform, for this, integration is key.

Choose an ERP that has existing integrations with your other service providers, such as payroll and HCM, payment automation, AP automation or procurement. Banking is another popular integration for hospitality as it allows hotel operators to closely monitor cash position by hotel, region, or portfolio with single-sign-on access.

Especially consider integrations unique to the hospitality industry: Property Management Systems (PMS), Point of Sale (POS), and hotel analytics like STR or HotStats. You will save time and money during the implementation process if the ERP provider has these already built-out, vs a custom integration for your organization.

Lastly, check whether the ERP offers an open API and/or an app marketplace which will facilitate future software integrations.



5

Get Demos with Shortlist Vendors

Once you have created a shortlist of ERP options, schedule personalized demonstrations. These demos will help you visualize how the ERP can benefit your organization and offer a chance to ask in-depth questions about features and capabilities for hospitality.



6

Consider Ease of Use

When selecting an ERP, usability is key, as it will be the primary system for back-office functions across your organization—from housekeeping managers to executives. An intuitive, easy-to-navigate interface is crucial to help employees perform more efficiently, access timely information, and make informed decisions. The ERP should streamline tasks, allowing staff to focus on improving operations and customer service.

Consider, does it empower employees to execute their job at a higher level of performance?

To evaluate ease of use, check user reviews, gather feedback from referrals, and ask vendors for examples of user-friendly features during product demos.

7 Factor in the Total Cost and ROI

When choosing the right hospitality ERP, consider not only the initial cost but also the total cost of ownership (TCO) and the potential return on investment (ROI).

Look for clarity of pricing as you evaluate ERPs. Evaluate factors like monthly fees, implementation costs and whether there are any additional fees for data usage, service tiers, or user accounts. For multi-year contracts, distribute any price increases evenly. Factor in costs for customizations and integrations. Lastly, if the ERP provider will not be doing the implementation, there may be a separate consultant fee and retainer for implementation and setup.

A clear understanding of the total costs will help you calculate ROI, which should reflect efficiency gains, cost savings, and improved decision making capabilities.



8 Read Reviews & Get References

Performing due diligence is essential when selecting a hospitality ERP. Since the hospitality industry has unique needs, it's important to understand how similar organizations use and rate the software.

Start by reading online customer reviews. These can give perspectives from different job positions. Next, dive into case studies of comparable hospitality companies for insight on the implementation and the achieved results.

Seek references from the ERP provider and gather feedback from peers who have used the system. This comprehensive approach will help you make a more informed decision, ensuring that the ERP you choose is a good fit for your hospitality business.





9 Compare Implementation & Support

When choosing an ERP for your hospitality business, both implementation and ongoing support are crucial. A smooth implementation lays the groundwork for success, while reliable support keeps the system running efficiently.

For implementation, consider how much bandwidth your team has to manage the process. ERPs with built-in hospitality functionality and expert onboarding can shorten the implementation process, reducing strain on your staff.

Ongoing support is equally important, as your ERP will become the backbone of your hotel's back office. Evaluate the vendor's support model in terms of access to support, and hospitality accounting knowledge of the support team. Timely, knowledgeable assistance will minimize downtime and ensure your system runs smoothly.

By carefully comparing both the implementation process and the quality of ongoing support, you'll set your organization up for success with a system that delivers immediate value and grows with you.

For more implementation best practices, check out our guide:

[***The Ultimate Hospitality ERP & Accounting Implementation Guide.***](#)

Conclusion

Selecting the right ERP for your hospitality business can transform operations and enhance profitability. By thoroughly assessing your needs, defining clear business goals, and aligning them with hospitality-specific ERP requirements, you can effectively evaluate potential hospitality ERP solutions.

Taking the time to review demos, compare ease of use, analyze customer feedback, check references, and study relevant case studies will help you make an informed decision. Additionally, considering factors like total cost, the implementation process, and support availability ensures you choose an ERP system that will drive long-term success for your hospitality business.

About HIA Software

HIA Software is the only full ERP designed specifically for the hospitality industry. The HIA platform offers out-of-the-box hospitality functionality such as hotel daily reports, seamless PMS and POS integrations, and advanced reporting tools tailored for hotel operations. With hospitality-focused business intelligence, HIA provides the insights needed to optimize performance.

We take pride in our deep hospitality expertise and offer a streamlined 8-week implementation process, with industry leading data import tools to ensure a smooth transition.

With HIA, you can consolidate data, automate key processes, and gain real-time analytics to drive more proactive and profitable hotel management.

Ready to see how HIA can transform your operations? Request a demo today and experience the difference hospitality-specific ERP can make for your business.

[REQUEST A DEMO](#)

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