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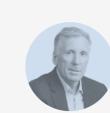
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Hospitality's Innovative Future Rests on Modular and Integrated Proptech Solutions

Property Technology

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The hospitality industry has never lacked technology. What it has lacked is cohesion. For years, hotels have layered system upon system, vendor upon vendor, hoping that one more plugin or upgrade might unlock the seamless guest experience everyone talks about but few actually deliver. And yet, despite all the investment, many properties still find themselves stuck, trapped between legacy infrastructure and rising guest expectations. It is not a lack of innovation that is holding them back. It is fragmentation. In this article, we explore why the future of hospitality depends not just on more tech, but smarter, integrated tech, and how a modular, connected approach is reshaping everything from operations to the guest journey.

Evolving guest expectations have led the hospitality industry to a vital crossroads over how it approaches advances in technology. Legacy systems once considered sufficient to meet operational needs, are now demonstrating their limitations as siloed and rigid platforms standing in the way of innovation. To keep pace with demands for faster and more personalized service, hospitality's future instead lies in embracing a more cohesive, modular, and integrated strategy towards property tech stacks; one that allows for seamless communication across systems, future-proof scalability, and a unified ability to deliver exceptional guest experiences at every touchpoint.

WHY HOTELIERS ARE LEAVING FRAGMENTED TECHNOLOGY BEHIND

The hospitality industry has historically been characterized by a patchwork of disconnected systems. A hotel might deploy one vendor for keycard access, another for the property management system (PMS), and yet another for energy management. These systems traditionally have been developed independently and don't typically communicate effectively with one another. For properties aiming to enhance efficiency and benefit from data-sharing insights, working with legacy solutions often translates into requiring extensive and complex workarounds or manual oversight to ensure interoperability. Even when able to be achieved, this frequently can result in experiencing errors, unpredictable performance and other unforeseen issues cropping up.

Technology fragmentation doesn't just result in operational inefficiencies but also hinders innovation and the opportunity to create a better, more unique guest stay. When data lives in isolated silos, customizing services based from holistic insights becomes extremely challenging if not impossible. For example, if a hotel's access management system doesn't share data with PMS and energy management platforms, it misses out on the opportunity to automatically personalize in-room temperature and lighting according to individual preferences, while also needlessly wasting energy within unoccupied rooms. For organizations still utilizing siloed systems, it is estimated that an average of <u>\$12.5 million is lost</u> due to poor or incomplete data access.

A NEW ERA OF INTEGRATION

The future of hotel operations therefore requires a modular and adaptable approach to proptech. This enables hotels to select best-of-breed solutions for different functions while maximizing the benefits of integration. Instead of being locked into monolithic platforms that attempt to do everything but excel at little, hoteliers can alternatively assemble a custom technology stack tailored to their specific needs and business goals.

Newer industry solutions are prioritizing the need for modular adaptability and by being designed as cloud-native systems. Typically featuring robust open API capabilities, these cloudbased platforms ensure that different technologies can integrate effortlessly, reducing the complexity of onboarding new solutions or retiring outdated ones. The result is a flexible, future-proof infrastructure capable of evolving in step with changing hotel priorities, guest preferences and advances in industry innovation.

TAKING A MORE HOLISTIC APPROACH TO HARDWARE

Whether for locks, thermostats, or surveillance cameras, a hotel's hardware has usually been managed as separate and disjointed devices. But advances in innovation increasingly centers on how these devices can connect, share data, and respond to contextual inputs as part of a seamlessly unified operational ecosystem.

For instance, geolocation-based sensors could determine a guest's real-time onsite location and push promos and service recommendations when integrated with a hotel's mobile app. Integrated guestroom televisions can likewise provide a valuable opportunity to tailor and suggest available offerings based on hotel areas that a guest has visited or previous purchase history listed within a guest's profile on a hotel's PMS. On the operational efficiency side, integrations between hardware such as lights, locks or elevators with maintenance systems can proactively monitor for malfunctions- preventing any lengthy lapses in service quality while potentially saving hoteliers from costly repairs. Integrations with thermostats, lights, drapes and other smart guestroom devices can cut costs by 15 percent. Together, these combined hardware efficiencies add up to create a smarter, more responsive environment where operations run more smoothly and guests a higher quality of service.

TYING EVERYTHING TOGETHER WITH ENHANCED DATA INTELLIGENCE

Underpinning the shift towards integrated proptech is the ability to access comprehensive and actionable data. When systems are integrated, they generate a continuous stream of high-value real-time insights. By adopting a centralized database location for such insights, hoteliers can gain a clearer view of guest behavior, room utilization, energy consumption, and operational performance. Properties can significantly use this data to make informed updates to business strategies and automate workflows.

Examples include leveraging predictive analytics to optimize housekeeping schedules based on real-time occupancy, streamlining staff workloads while saving guests from needless interruptions.

Another instance can be analyzing inventory usage to make accurate forecasts that avoid the risk of overordering or underordering items. These capabilities are only possible when data flows freely across fully integrated systems. Such advantages and more are unsurprisingly behind why <u>78</u> percent of hoteliers consider data strategies to be extremely important to their business strategy.

SECURITY AND SCALABILITY: NON-NEGOTIABLES IN MODERN INFRASTRUCTURE

While there are many clear advantages to deploying integrated hotel systems and services, industry businesses must inevitably also address growing concerns around cybersecurity. As hotels become more digitized, they become increasingly attractive targets for cyberattacks. This makes it essential that any integrated system employs end-to-end encryption, especially when involving sensitive guest and business data.

With hackers increasingly devising more sophisticated methods for circumventing a property's various protections, hoteliers should always aim to deploy solutions that can easily be upgraded as circumstances evolve. For example, cloudbased software can receive continuous and automatic updates whenever a new vulnerability or improved method for providing protection is discovered. Cloud-based software is increasingly also being proactively monitored directly by solution providers, with suspicious behavior quickly identified before any potential harm takes place.

REDEFINING VENDOR RELATIONSHIPS

This shift is also reshaping how hotels work with their technology providers. No longer just suppliers of products or services, providers are having to step up and take a more active role in creating and maintaining seamlessly interconnected operations. To be successful, vendors must be able to embrace openness, provide robust integration support, and commit to long-term compatibility with emerging technologies.

Hoteliers, in turn, must evaluate vendors not just on their current solution capabilities, but on their willingness to collaborate and adapt. The most effective industry technology partners are those who see themselves as contributors to a single ecosystem of systems, devices and services, instead of simply catering to a specialized focus.

LOOKING AHEAD TO HOSPITALITY'S FUTURE

Today and tomorrow's hotel is therefore not built from isolated components but must instead function as an intelligent, interconnected environment where systems work in harmony to serve both operational goals and guest expectations. It must also be able to readily embrace change as trends evolve and as technology inevitably advances.

To ensure their ability to adapt to this new industry environment and maintain a competitive edge, hoteliers should examine their existing operations and keep the following best practices in mind:

- Audit existing systems to identify integration gaps and operational inefficiencies.
- Prioritize open architecture when selecting new technology, ensuring it can connect to other solutions.
- Invest in data management capabilities that facilitate comprehensive real-time decision-making and continuous improvement.
- Foster internal alignment between IT, operations, and guest services to ensure a unified vision for technology use.

Although transformation can't be expected to occur overnight, the direction is clear. Fragmented systems are becoming obsolete. The hotel businesses that will thrive in the coming years will be those that embrace a modular approach to their tech stack with a priority placed on end-to-end integration. By breaking down silos and embracing a flexible, interoperable infrastructure, hoteliers can build smarter properties, empower staff, and exceed guest expectations in ways that were previously out of reach.

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