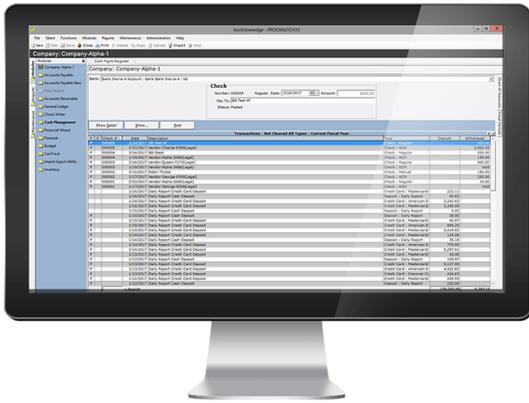




HOW TO CHOOSE A HOTEL ACCOUNTING PACKAGE

A WHITEPAPER FROM M3





WHY DO HOTELIERS NEED ACCOUNTING SERVICES & TOOLS?

Over the past decade, cloud-based accounting software has transformed the way hoteliers manage their financials. With new software and services entering the market every year, it can be difficult for hoteliers to keep pace with newly emerging products and determine exactly what tools and services are right for their businesses.

To help hoteliers sort through the hodgepodge of accounting providers and products, M3 has tapped into its wealth of in-house hospitality experts to help identify an accounting package that is best suited to fit a hotelier's specific needs.

Hotel accounting is a unique service and one that requires industry skill and years of experience to understand. Just like hotels, accounting packages come in all shapes and sizes, offering everything from automated payroll and invoicing systems to fully outsourced accounting services. So, when it comes to selecting a hotel accounting package, it is important to understand how the right combination of solutions and services can best support properties and staff.





WHAT PAIN-POINTS CAN HOTEL ACCOUNTING TOOLS ALLEVIATE?

Many hotels experience back-office issues that impede workflows and put undue stress on busy teams. Investing in forward-thinking, industry-specific accounting services and tools is the first step to easing the operational pain points that back-office personnel experience daily, including:

Problem – Mismanaged Data: Property financial, labor and operational data can be used to boost efficiencies, but only if it's being used effectively. If data isn't properly captured, analyzed and reported, hoteliers run the risk of missing significant opportunities to save money and enhance their revenues.

- **Solution – Real-Time Data Management:** Real-time analysis of hotel data management infrastructure ensures accurate and timely reporting through automated, cloud-based data entry systems to capture and store information in the appropriate locations immediately upon receipt.

Problem – “Busy Work:” Technology should make hoteliers' lives easier by taking as much work out of daily tasks as possible. Properties relying on legacy software and manual accounting practices remain at the mercy of slow and inconsistent reporting, while still having to retain more staff to complete tasks.

- **Solution – Automation:** Cloud-based accounting software automates data entry, expense logging, invoice payments and more using intelligent code-mapping features that take care of menial tasks without any input from the user until the reports are exported. For hoteliers seeking to offset more complicated financial management tasks over a period of time, outsourced financial and accounting services offer a convenient source of available, skilled labor with proven experience driving profits for hotels.

“ It’s one of the things I’ve appreciated most about our relationship with M3...M3 listens and works together with us to accomplish our goals and ultimately we succeed. ”



Kerry Ranson
CEO of HP Hotels

Problem – Managing Available Cash: When unexpected expenses and new revenue opportunities arise that require immediate funds, hoteliers must be flexible with available cash, especially during the slower travel months.

- **Solution – Real-Time Financial Access:** The ability to view company and property financials in real time is a major advantage for cash-strapped operators. Cloud-based accounting solutions enable real-time financial reporting with highly visual and regularly updated dashboards that allow managers to see where extra liquidity lies, helping them make smarter decisions faster.

Problem – Decentralized Financial Systems: With hotel executives and management often overseeing properties in multiple cities across North America, exporting financial information over several different systems can lead to poor communication and impact the flow of payments across an entire organization.

- **Solution – Centralized Cloud Delivery:** By consolidating financials onto one accounting platform, hoteliers can access their properties’ financial information from anywhere using a web-enabled device (i.e., laptops, tablets and smartphones). Centralizing financial data also enables faster communication and dissemination of critical information, supporting hoteliers who require immediate access to company financials, even when on the go.

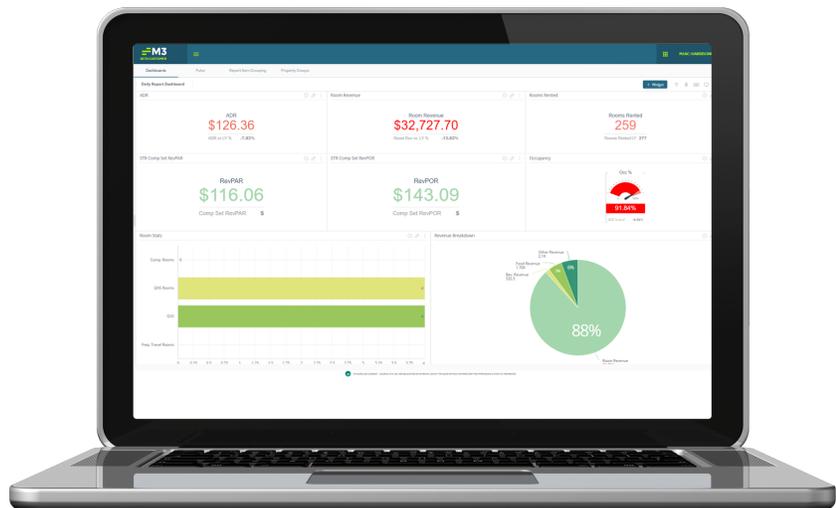
Problem – Non-Specific Business Insights:

Generic accounting software lacks the ability to collect and analyze key data as it pertains to the hospitality market for financial reports, forcing hoteliers to allocate additional resources and manpower to analyze the data and find new ways to improve efficiencies.

- **Solution: Built-In Analysis & Reporting:**

Choosing an industry-specific accounting package with built-in data management and analysis capabilities helps managers improve the accuracy of their financial reporting. Key hospitality industry metrics that only hotel-specific accounting solutions can offer deliver customized daily reports with automatic PMS data importing to ensure information is being updated and logged regularly for accurate financial reporting.

Cloud-based accounting solutions enable a wide range of cost and time savings, while improving accuracies across entire organizations through centralizing, streamlining and simplifying the financial cycle from property to corporate offices.



WHAT SHOULD AN ACCOUNTING PACKAGE INCLUDE?

Since no two hotels are alike, choosing an accounting package that complements your property's financial needs is easier said than done. But what are the ingredients for an ideal accounting package? M3's team of industry veterans breaks it down for you.

Hotel-Specific Services: Step one in selecting an accounting package is finding a partner who understands a hotelier's specific accounting needs and can offer invaluable hotel management expertise and consultation to drive operational savings. For example, **M3 Professional Services** sources, selects and maintains a team of on-demand CPAs, MBAs and industry veterans with decades of hotel accounting experience to provide everything from comprehensive management of the full accounting cycle to a-la-carte services for specific functions.

PMS Integration: An accounting package should include software that automatically and smoothly integrates with adopted property management systems (PMS) to ensure key data is captured, recorded and logged appropriately and securely.

Partnering with hotel-specific solution providers is the most effective way to achieve seamless integrations with common hotel PMS systems and automatically collect operational data like room bookings, market segmentation, check-ins/outs and more, requiring no additional labor for manual data entry while reducing error rates and boosting efficiencies across portfolios.

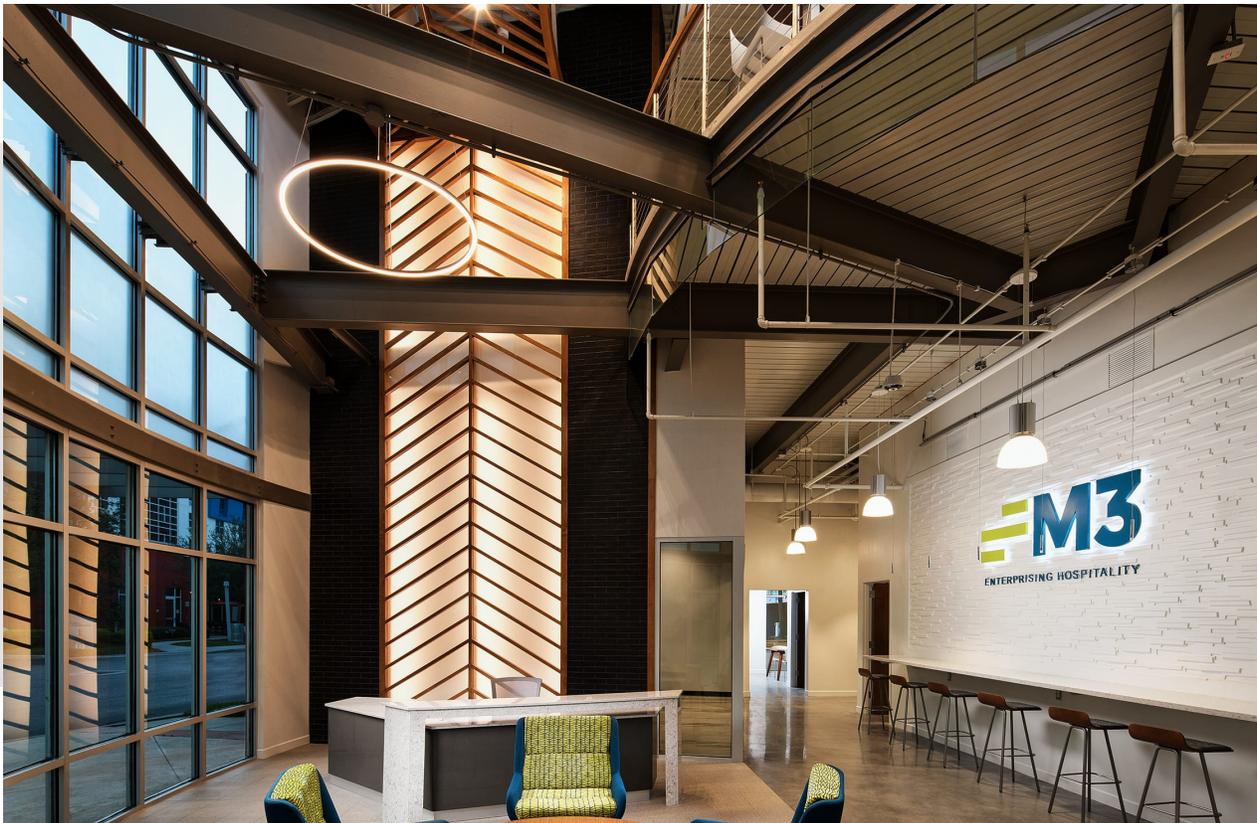
Real-Time Data Access: Accurate and efficient data reporting is essential to any hotel accounting package because hoteliers need to be able to access and interact with their portfolios' financials at any given time. Accounting software providers like M3 enable real-time access to company financials through cloud-delivered dashboards that provide digestible data reports that can be updated and exported with the click of a button.

Automated Financial Reporting: While accurate and efficient financial reporting is essential for hoteliers, it doesn't have to be a headache. An accounting package with automated reporting saves time and improves accuracy using cloud-enabled technology to ensure transactions are made and logged accordingly. Solutions like M3's Accounting Core come ready to provide end-to-end automation for everything from developing balance sheets and P&L statements to daily bank reconciliations and monthly analytical reviews, providing hoteliers with the information they need to make better financial decisions.



LOOKING AHEAD

Investing in the right accounting package is the first step to helping hoteliers drive financial performances across portfolios and maximize cost savings. By finding the right combination of in-house professionals, powerful financial software and outsourced industry specialists, hoteliers can optimize efficiencies to meet their bottom lines and ultimately provide better experiences for their guests. As the 2021 travel season comes back in full swing, hoteliers need to focus on optimizing guest service offerings and leave their accounting needs in the hands of trusted professionals who know the ins-and-outs of the hospitality industry.



BE PROACTIVE. BE PREPARED.



Robust accounting and financial analysis tools help hoteliers drive financial performances across entire portfolios by proactively managing fluctuating industry and consumer behavior in real time. Now more than ever, hoteliers must rely on these tools in their forecasting for 2021. As hoteliers look to the new year, it is important to remember that realistic, accurate forecasting positions hotels with a strong foundation to overcome new challenges, enabling agility and freedom in decision-making and ensuring a reliable game plan for hospitality operations.



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