

Planning and reporting for hotel and restaurant management



The Steigenberger Hotel Group uses Mercur to manage over 80 separate hotel and restaurant businesses. Managers at every location can access Mercur to enter budget and forecast data and to follow up their performance.

Background

Mercur technology has supported Steigenberger in its budgeting, planning and reporting processes for many years. Mercur was first introduced at Steigenberger in the 1980's as an application for managing a hotel group.

The initial system was replaced in 2002 by the standard Mercur Business Control. Adapted to the group's specific needs, the new system is known to users as Steigenberger Business Control. It represents an exceptionally successful marriage between specific industry know-how and standard functionality. Steigenberger now has a solution designed for its own needs which also provides robust standard functionality – for data integration, creation of reports and forms, conversions, recalculations, consolidations and system administration.

A complete solution for performance management

Mercur Business Control effectively provides Steigenberger with a fully integrated performance management system – a single solution covering every

aspect of managing the business on all levels. From top management of the group to line managers at the individual hotels, Mercur is used daily to plan and monitor performance. Strategic plans, budgets, forecasts and reports are all generated, with common terms, definitions, models and user interfaces. This increases quality, saves time, limits training needs and ensures a low cost of ownership.

THE MERCUR SOLUTION

APPLICATIONS	Mercur Business Control 5 Mercur Web Deploy
NUMBER OF USERS	210
PROCESSES COVERED	Annual budgeting Strategic planning Forecasting Reporting & analysis

HIGHLIGHTS

Mercur Business Control is managed by the central controlling department of the Steigenberger Hotel Group. This includes development of the application as well as supporting and training the business managers of over 80 hotels of the group.

Driver based budgeting

Budgets and forecasts are created by the business managers of all Steigenberger hotels at the cost centre level. "Room nights" are the key variable for planning hotel operations because they are the main drivers of revenue and expenses. Together with such secondary drivers as double booking factors and room rates, they determine the operating profit or loss. A system recalculation is performed each time these drivers are entered or changed. The recalculation updates all associated budget lines such as breakfast revenue as well as all direct costs. Seasonal codes assist the users to enter data efficiently and correctly. The driver based planning ensures that calculations are performed with transparency throughout the group while taking into account local variations of the business conditions.



Our ability to combine a robust standard application with industry specific business logic and functionality is as critical for us today as when we first implemented Mercur more than 20 years ago.

Udo Merting, Group Director Controlling and Reporting

After calculating the income from lodging, the food and beverage revenue is planned separately. This includes breakfast á la carte, mini bar, half or full board, restaurant á la carte, bars, conferences, and so forth. Seasonal codes, volumes and unit prices are used to calculate the food and beverage revenue more precisely. The system also provides forms for payroll planning and other expenses. After all the users have submitted their budgets, a consolidated budget for the hotel is instantly available for the hotel management as well as for the central group controlling department. They can analyse performance on any level.

Integrated forecasting

Forecasts are handled similar to the budget, but with the difference that the current budget or a previous forecast is normally copied as a starting point. Users can then change the relevant drivers and perform a new recalculation to update forecasted revenues and expenses and analyse the changes in forecast reports. This allows Steigenberger to perform detailed reforecasting in a very short time and with high accuracy levels.

Comprehensive reporting

Mercur Business Control is updated with actuals from the ERP system on a monthly basis. Managers then undertake deviation analysis on actuals versus forecast or budget or last year's actuals. Depending on the security settings, each user can drill down on organisational units, cost centres, accounts, categories of employees, etc. The automatic consolidation creates an instant view from group level down to individual cost centres as soon as new data is entered.

Operating statements according to USALI

Steigenberger, like all other large hotel groups around the world, creates its operating statements according to USALI, Uniform System of Accounts for the Lodging Industry. These statements have been completely implemented in Mercur Business Control.

Strategic planning and capital planning

One of the latest developments of Steigenberger's Business Control system is the addition of strategic planning functionality, which was previously handled in a separate system. The strategic planning functionality includes both data entry forms and reports, which are used to create and manage a high level three year budget and a capital expenditure plan.

ABOUT STEIGENBERGER HOTEL GROUP

INDUSTRY Hospitality
BUSINESS ACTIVITIES Hotel business divided into two divisions – Steigenberger Hotels and Resorts and InterCityHotels

OTHER INFORMATION
 The Steigenberger name has stood for top-class European hospitality for more than eight decades now. The family-run business was founded in 1930 by Albert Steigenberger and turned into a public limited company in 1985. Up until 2009, the Steigenberger family owned 99.6% of the shares. Today, the economic owner of the company is Mr Hamed El Chiaty.