

GROWTHFORCE CLIENT SOLUTIONS

Case Study: Homewood Suites by Hilton



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Case Study

Homewood Suites by Hilton

“Since I became a GrowthForce client, my business is more profitable, my financial reports are accurate and they are on time. I get budget versus actual results by department. As a result, I’m doing a better job managing my time, my money and my business. The hotel has never run better!”

Philippe Cras
Owner/CEO
Homewood Suites by Hilton @ Kingwood
Park

Situation

Homewood Suites’ costs of doing business were not in control – particularly labor costs, its largest expense. The hotel was using a Peach Tree accounting system which wasn’t keeping up with the business’ need for quick access to financial information.

Solution

GrowthForce implemented its system design service, upgraded the hotel’s bookkeeping system to a QuickBooks Premier and integrated it with a swipe card time-tracking system. Then Homewood Suites outsourced its bookkeeping functions to GrowthForce’s Outsourced Bookkeeping Department and Outsourced Controller Services.

Result

Homewood Suites is able to obtain the key pieces of financial information necessary to manage the business efficiently and reduce costs and increase cash flow. This resulted in tangible costs savings which significantly increased the profitability of the hotel’s operations.

Profile: Homewood Suites by Hilton at Kingwood Parc

In 2000, Philippe Cras, a native of Belgium, opened a Homewood Suites by Hilton franchise in Kingwood, TX . By 2004, his hotel had outgrown is original PeachTree accounting system and Cras was searching for a way to keep his financial books up to speed with his growing business.

After meeting GrowthForce CEO Stephen King through the Kingwood Chamber of Commerce, Cras hired GrowthForce to manage his financials because “they were less expensive than a bookkeeper,” he recalls.

He admits that he got a whole lot more than he expected: “I thought I was buying a bookkeeping service from someone who knew QuickBooks, instead I got a Outsourced Bookkeeping department, including a CFO!”

First, GrowthForce designed and installed a new QuickBooks System at the hotel. As always, the GrowthForce team designed the system with the “end in mind.” They asked Cras what reports he needed for his managers to be able to make intelligent business decisions. Cras was quick to describe the financial reports that he wanted at his fingertips: labor and supply costs to clean a room, occupancy rates, and optimal average daily room rates. GrowthForce was able to determine how to turn these numbers into KPI’s – Key Performance Indicators.

Once the system was done, the clean-up swat team entered one (1) year of historical data, so the tax CPAs could prepare a past-due tax return. Once there was historical data to study, as a part of the GrowthForce CFO service, GrowthForce walked management through the detailed budget process by department.

GrowthForce, in turn, structured the hotel’s QuickBooks system to provide reports supplying budget vs. actual results by KPI. These results were then compared to the budgeted amounts in a business model prepared as part of GrowthForce’s Virtual CFO services.

As part of its System Design Services, GrowthForce recommended that the hotel replace its employee punch card system with a swipe card time system tied to its computer operations which automatically uploads to its QuickBooks System. This best practice now allows Cras and his management team access to labor costs by department on a daily basis.

“I can see where the inefficiencies are in my daily operations and implement programs to address those areas,” notes Cras. Because this was the most important KPI, GrowthForce implemented an employee incentive program for his managers based on their ability to control labor costs.

The **Outsourced Bookkeeping Services** provides a monthly closing process which includes bank downloads and reconciling every balance sheet account. In this way, the hotel is always “audit ready.” The data is then presented at monthly finance meetings with the Homewood Suites’ general manager and departmental managers – housekeeping, front desk, maintenance and sales.

As part of its **Outsourced Controller service**, GrowthForce created an Executive Dashboard, a custom reporting package outlining budget versus actual numbers in an easy-to-read, graphical format. At the monthly management meetings, these non-financial managers were discussing the reasons for any variances against the business plan.

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The Dashboard gave the team a direction: “what management monitors, gets done.” For instance, when utility costs were over budget, the maintenance manager asked the housekeepers to turn off the lights and turn down the air conditioning as soon as they cleaned a room. As a result, energy costs decreased.

When Homewood Suites focused on their key performance indicators, just like a chief financial officer would, they lowered their costs and enhanced their profitability. “Since I became a GrowthForce client, my cash flow has improved and my financial reports are accurate and on time,” states Cras. “I now see budget versus actual results by department. I’m doing a better job managing my time, my money and my business. The hotel has never run better.”