

Articles / Whitepapers

Practice: Marketing & Technology

Topic: Sales & Catering

The Physics of Sales & Catering

The sales & catering space looks like a theoretical physics model of a universe simultaneously expanding and contracting...



By Mark G. Haley

Hotel companies and the software developers addressing their needs are expanding the functionality, business models and connectivity of their product lines, bringing hotel sales departments and meeting planners closer than ever. At the same time, the space has seen significant consolidation due to Newmarket International's March acquisition of primary competitor Daylight Software, both of Portsmouth, N.H.

As competitors, the firms dominated the standalone sales & catering market for full-service hotels. Although Daylight's customer base was hundreds compared to Newmarket's thousands, Daylight had successfully penetrated several very large properties

and significant hotel companies with both client-server and centralized systems.

The merged enterprise services more than 5,000 hotel clients with only 330 employees. Newmarket

International Chief Operating Officer Jerry McNiskin estimates that more than 70,000 people use some Newmarket software application regularly.

Despite Newmarket's dominance, there are meaningful competitors. The Newmarket line generally represent "best of breed" solutions dedicated to sales & catering.

These include three different S&C systems and a range of product line extensions. A number of property management system vendors—including MICROS/Fidelio, Northwind, HIS, IQWare, Visual One and others—offer S&C modules as part of their integrated PMS suites, as Microsoft sells its Office suite.

The PMS vendors believe the suite approach delivers lower total cost of ownership and significant operating efficiencies from running the enterprise on a single system.

Newmarket feels that its focus on and dedication to S&C functionality yields a superior product and that the business benefits of integration can be achieved

by today's XML interface capabilities, which they now offer for five major PMS platforms.

In addition to the PMS vendors, competitors in the space include NFS Hospitality, Hotel Sales Pro and several others that, perhaps, service smaller properties with products that restrict their focus to tracking sales pace or generating banquet event orders. The U.K.'s NFS has succeeded with a fully featured .NET application in part by re-defining its market to include organizations that are not hotels but require S&C functionality, such as law firms.

Meanwhile, deeper and broader product offerings abound. Newmarket is currently executing a long-term product strategy to take its entire family to the Microsoft.NET architecture, offering enhanced scalability, accelerated development cycles and more robust applications. Recently released or enhanced offerings include the full integration of Delphi Diagrams. This product enables one to interactively map out and modify meeting room layouts. Changes made in Diagrams go back to Delphi and vice versa. MeetingBroker gives users an edge in responding to an RFP by instantly routing the request to the proper sales manager anywhere in the enterprise. The next release of Delphi, version 9.4, features a new user interface based on the

Microsoft Vista (due in early 2007) UI specification.

Customers of Newmarket and NFS welcome centralized systems, supporting multiple properties or entire companies on a single system. Hotel companies are embracing the efficiencies of enterprise systems either via traditional licensing strategies where they buy the right to use the software and run it on their machines, or by way of a rental model, where they pay the vendor monthly on a per-seat basis.

In this application service provider, or ASP, business model, the vendor typically owns and maintains the hardware, eliminating upfront capital costs for the customer in exchange for smaller, predictable operating expenses. ■

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The range and functionality of sales & catering solutions are expanding.