CASE STUDY

Mandarin Oriental Hotel Group pursues digital finance transformation to support global growth

Building on proven partnership, luxury hotel leader takes Infor SunSystems to the cloud

Mandarin Oriental Hotel Group sets the leadership standard in luxury hospitality and world-class service. Thirteen of the company's high-touch hotels operate Forbes "Five-Star" spas—the most of any hotel brand in the world. Mandarin Oriental has earned an unparalleled reputation for the finest in-house dining, receiving 29 Michelin stars across 18 of the restaurants in their international hotel portfolio.

From the beginning with its flagship Mandarin Hotel in Hong Kong and The Oriental in Bangkok, the brand has enjoyed six decades of growth, with particularly rapid expansion occurring during the twenty-first century. Today, the company operates 38 hotels and 11 residences in 25 countries throughout Asia, The Americas, Europe, the Middle East, and Africa.

Mandarin Oriental's mission is simple, yet far from easy. More than 14,000 dedicated colleagues commit themselves to delighting and inspiring guests every day by anticipating and fulfilling their wishes. Infor has been a trusted technology partner in supporting that vision for more than 15 years.

Headquarters
Hong Kong

Industry
Hospitality

Product offering
Luxury accommodations, spa services, and dining

Infor products
Infor SunSystems®
Infor® Hotel Management
Solution (HMS)

Website
mandarinoriental.com

Building on cloud-based financial management best practices

Mandarin Oriental has mapped a strategy of digital transformation to ensure its technology offers the scalability to support global growth and intelligent functionality to meet and exceed evolving guest expectations. The brand leverages cloud-based Infor Hospitality Management System (HMS) to deliver personalized guest services at the highest standards of excellence.

For nearly 20 years, Mandarin Oriental has trusted Infor SunSystems on-premise financial management solution. When Microsoft announced it was sunsetting support for the platform underlying Infor SunSystems 6.1, Mandarin Oriental carefully considered next steps. The company could upgrade to the latest on-premise version of Infor SunSystems or migrate to Infor SunSystems Cloud. Building on the success and proven partnership from the global rollout of Infor HMS, Mandarin Oriental decided to expand their partnership to take financial management to the cloud.

"After our successful rollout of Infor HMS, we were eager to extend the use of best practices to leverage cloud computing in our financial system. Cloud migration of Infor SunSystems offered us increased financial visibility, better accounting standardization, and more internal efficiency around solution maintenance and IT resources," said financial controller, Daniel Ma.

Ma and a colleague at Mandarin Oriental led the migration project, using a phased approach that involved an initial two-hotel pilot migration, followed by multiple hotel migrations each month for the remainder of the project. Migrations were performed nine months of the year, stopping to avoid year-end accounting processes. Mandarin Oriental relied on both Infor customer support and authorized partners to perform the onsite work. After migration, Infor also provided training for Mandarin Oriental staff in each location.

Business challenges

- On-premise installations of the financial system at 37 hotels required IT resources to perform hardware maintenance and software updates.

- Microsoft was discontinuing support of the underlying on-premise operating system, creating a potential for future security issues.

- It was difficult to maintain consistency in accounting policies, procedures, and reporting across different hotels.

"We wouldn't have been able to complete the migration without Infor support," said Ma. "Our Infor consulting service manager has been a great partner to us. She assigned us a fantastic project manager who helped us manage the project globally. We got to work with the best-of-the-best Infor global consultants. We also deployed third-party authorized partners in locations where that made more sense due to legal requirements or language barriers."

"Working with Infor allowed us to centrally control the process but deploy the Infor consultants locally. Since we have more than 30 hotels, we needed to migrate at least three hotels each month in order to complete the migration in a reasonable time frame. It paid off to use both Infor consultants and local authorized partners to cover multiple hotels simultaneously."

Strengthening security and improving standardization and visibility

Infor SunSystems Cloud Edition is a scalable financial management solution designed to satisfy the global requirements of growing organizations, such as multiple books and charts of accounts, multi-dimensional analysis, multi-currency, and multiple languages. Additionally, Infor OS (Operating Service) wraps the solution in a standard technology framework that enables document management, approval workflows, machine learning, and analytics, and more.

Prior to moving to the cloud, Infor SunSystems was managed and maintained at the local property level. Now, with a multi-tenant cloud solution, Infor supports and maintains the solution, and Mandarin Oriental's primary IT team at headquarters oversees the solution—freeing up resources and keeping local focus on guest experiences. Centralized data management reduces security risk and creates opportunities to standardize processes and improve visibility and reporting.

"Information security, data security, data privacy—we take these very seriously," explained Ma. "Our first priority was to upgrade the system to the latest technology to sustain security and avoid downstream application supportability issues. That's also the reason we moved to Infor SunSystems Cloud. We knew once we moved to the cloud, all the hardware would be managed by Infor and the system would be upgraded constantly."

Cloud financial management offers organizations the ability to standardize processes and generate timely and reliable global reporting. To ensure the accuracy of reporting, data going into the system must be entered in the same way, across the same accounts, at every business location. Mandarin Oriental decided to put the work in ahead of cloud migration to standardize the chart of accounts and accounting policies at every hotel, in accordance with the Uniform Standard of Accounts for the Lodging Industry (USALI)—the standard for hospitality that facilitates comparative financial analysis between hotels.

Business results

- Reduced burden of application infrastructure management by moving from on-premise to cloud, eliminating the need for hardware and centralizing software management to the global IT level.

- Centralized data management lessened security risk and enhanced controls.

- Applied best practices to standardize chart of accounts and accounting policies across all 37 hotels, leading to improved accuracy of global reporting.

"We took this opportunity to standardize our Chart of Accounts (COA) among our hotels, so our effort in this cloud migration was a bit more than in past upgrades. We had to do data mapping, COA mapping, data migration and data validation. It gives us the advantage of standardizing our COA and from that we will get standard reports across all of our hotels," said Ma. He also noted that it was equally important to standardize accounting policies and procedures, such as where to book different types of expenses.

"Standardizing our COA allows us to have better standards not just in reporting but also policies and procedures. Now everybody knows what account to use to enter a specific type of expense. If I want to track expenses for a specific item, I can run the report. Before I couldn't do that because some people might put it here or put it there. In short, we now are able to write a report to get the information we need. But more importantly, we can advise the staff at our hotels how to apply accounting practices uniformly."

Expanding a proven technology partnership

Cloud-based financial management and reporting is an important step along the overall digital transformation journey at Mandarin Oriental. With Infor SunSystems Cloud Edition, the company was able to migrate to cloud with minimal disruption. Mandarin Oriental gained the efficiency, data centralization, standardization, and data security benefits of a modern, cloud-based financial solution while continuing to use the familiar solution they trust.

"We've worked with Infor SunSystems for nearly 20 years and with Infor HMS for over five years. Within our longstanding relationship with Infor, this was my second upgrade with our Infor consulting service manager. Having someone we know and have worked with, who knows our history and how we operate was essential. Allowing us to pick the best of the best Infor consultants and assigning us the best program manager I have ever worked with is further evidence of our strong partnership."

As Mandarin Oriental completes this migration, Daniel Ma and others are already studying how to take advantage of additional applications included in the Infor SunSystems Cloud subscription. For the next phase of their digital finance transformation, they are looking into document management and approval workflow automation, plus considering asset management for some hotels. They also look forward to integrating the data within Infor HMS and Infor SunSystems financial data for more powerful analysis in the future.

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DANIEL MA
Financial Controller – Systems & Analysis,
Mandarin Oriental Hotel Group

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