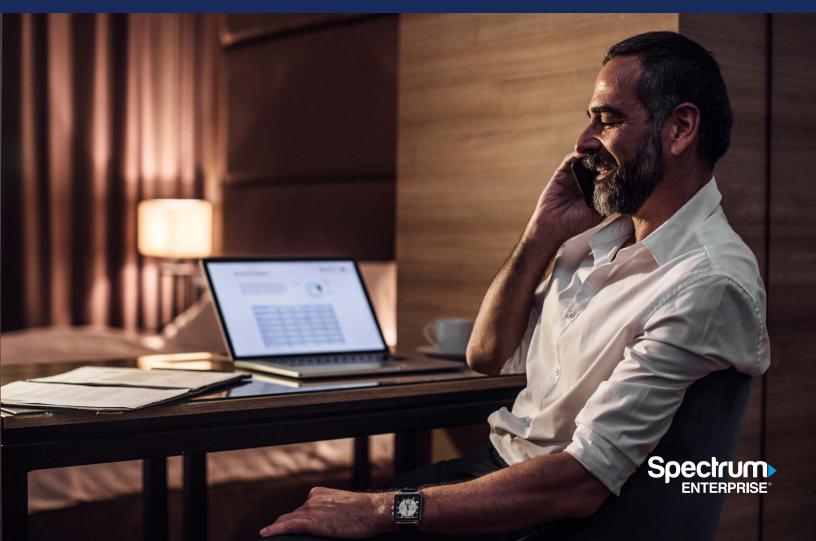
# Modernizing IT for independent hotels

Overcoming challenges with the right technology infrastructure.



Modernizing legacy networks is a priority for independent hotels and resorts, particularly as they work to increase occupancy and revenues. Independent hoteliers must strive to streamline operations, reduce costs, increase network security and enhance guest satisfaction. But trying to accomplish these goals with legacy systems, multiple providers, reduced staff and limited IT resources isn't easy.

While counterintuitive, IT modernization can help resolve these issues and even increase profitability. Properties no longer need separate equipment from separate providers for separate services. Instead a modern connectivity provider can offer reliable, secure and high-capacity connectivity, WiFi, and network management along with contemporary voice, TV and in-room entertainment solutions. This delivers a number of benefits including cost savings, convenience and a flexibility that's not possible when operating each of these services separately.

But to go from planning to execution, independent hoteliers must overcome the concerns that come with modernization.

# Overcoming major challenges and concerns

Roadblocks to IT modernization can span from the apprehension regarding a lack of resources, security issues and worries over potential downtime that could impact guest experience and operational efficiency to concern over the expense that might be incurred. However, none of these challenges are insurmountable, and with the right solutions and provider, can be overcome.

**Staffing shortages and lack of resources:** According to a survey conducted by the American Hotel & Lodging Association, 67% of hotels are experiencing staffing shortages.<sup>2</sup> Independent hotels across the country are working with reduced staff including a lack of skilled technology expertise. The expectations to handle innovations like cloud computing and contactless technology, combined with a lack of resources, creates another roadblock to modernization.

You can simplify and enhance your IT services by turning to a managed services provider to take care of the heavy lifting for you. A good managed services provider acts as an extension of your team. Technology experts modernize your network and keep it operating at peak performance 24/7/365, leaving you free to focus on creating memorable guest experiences that will grow your business.

**Security compliance:** Hacking into guest information is one of the biggest risks hoteliers face. Heightening your security posture is key to protecting this data and enhancing the guest experience. Only about 25% of U.S. businesses, including hotel operators are fully compliant with current data security best practices.<sup>3</sup> From 2022 to 2023, the cost of a data breach in the hospitality industry grew 14% from \$2.94M to \$3.36M, according to IBM.<sup>4</sup> Aging infrastructures combined with fast-changing technology innovations — and more devices than ever accessing hotel networks — mean that hotels are particularly vulnerable to network cyberattacks. Modern network security is more effective than legacy systems because protected coverage can be integrated across your entire network. Modern network security can combine several elements such as antivirus/anti-malware defenses, intrusion prevention



The top tech priorities in 2024 are focused on contactless services, Al integration, and cybersecurity.<sup>1</sup> Areas of focus for your IT modernization project

- Design
- Implementation
- Maintenance
- Support
- Ongoing Improvement
- Integration
- User experience

services and web filtering that are updated several times a day to keep your defenses always up to date. This provides a solid base on which to build your plans and policies to meet various compliance programs such as GDPR and PCI.

**Deployment:** Maintaining legacy systems is often a money pit and source of frustration for independent hotels. However, many hoteliers hesitate to transition away from these systems because they worry about how potential downtime may affect guest satisfaction and productivity. Today's solutions are designed with modularity and scalability in mind. You can keep existing IT systems online while migrating to a modernized network through a series of well-planned, strategic technology refreshes. This approach allows you to easily transition away from legacy systems at your own pace, while minimizing any disruption to operations or guest experience.

**Cost:** Many hotels have a disparate patchwork of networks that include legacy connections and equipment. These outdated services require constant and costly hardware upgrades. A modern IT infrastructure through a single provider for data, voice and TV can be centrally managed and actually brings costs down by reducing equipment and management costs of the network. Instead of paying for separate equipment from different vendors, you pay a predictable monthly fee and your managed network provider takes care of purchasing, maintaining, monitoring and upgrading your hardware and software. Furthermore, you move from the CapEx to the OpEx side of your ledger, reducing the up-front costs involved with modernization.

**Cloud migration:** Many independent hotels still use on-premises systems. And while these were must-haves years ago, these systems can no longer keep up with the technology demands of today. A modern network incorporates cloud technology that ensures all your systems are in sync with each other and benefits your operations in multiple ways. Whether a hotelier moves fully to the cloud or incorporates a hybrid cloud strategy, cloud systems help hotels save space, cost and time. The cloud removes the need to own multiple servers and the hardware to go with them. Instead you can simply update software as business needs change. The cloud is faster, enabling the transfer of data in real time so you can attend to staff issues and guest needs more quickly. An advanced network provider can offer high performance, private Ethernet connectivity to the cloud to eliminate internet threats and keep traffic secure.

**Differentiation:** In the hospitality industry, service will always be a key differentiator. But guest expectations for hotel services have moved beyond a comfortable place to lay their heads. Differentiation is no longer about décor, but rather the ability to provide world-class technology experiences, while personalizing each touchpoint along the customer journey. To accomplish this, independent hoteliers must rely on tightly integrated systems that allow them to build unified guest profiles and share data in real time. A modern network helps you leverage technology and automation to reduce costs while supporting both front- and back-of-house operations. When you work with a single provider you gain a complete solution that integrates your network, voice and TV systems. The right IT provider helps you differentiate your hotel with always-on connectivity that empowers you to better serve your guests, earn repeat business and lift revenues.





## Technology to support a modern infrastructure

For independent hoteliers that have been operating on legacy systems for a while, the array of products and services available for modernization efforts can seem overwhelming. Below we look at the top technology you should consider to support a modern digital infrastructure.

**Dependable fiber connectivity:** In the past, hotels relied on coaxial copper cable for internet connectivity. But today, to satisfy your guests and operational requirements, you need the speed, high performance and reliability of a dedicated fiber network. This makes it easier to deploy modern applications to improve efficiency, such as Internet of Things (IoT) applications, or better serve guests. Routers are a necessity to optimize and prioritize the fast-growing volume of internet traffic handled at today's hotels, however, IT teams need platforms that make it simple to manage updates and configuration settings for routers across the organization.

**Modern networking:** Networks have become more sophisticated and complex, and hotels often need connections to multiple locations. A modern network architecture lets you easily scale. Get the solutions, capabilities and functionality you need today along with the flexibility for changes and upgrades in a strategic and controlled manner.

**Security solutions:** DDoS attacks occur when a cybercriminal floods a network with so much traffic that it does not operate or communicate normally. The total number of distributed denial of service (DDoS) attacks increased by 31%, year-over-year, and reached 7.9 million attacks in the first half of 2023.<sup>5</sup> Hotels are particularly vulnerable to these types of volumetric attacks which can overload your network and cripple access to applications, systems and information for both staff and guests. In addition, with all the new technology adoption happening in the hotel industry, security and privacy concerns present a major challenge for many hoteliers. Your guests expect their online experiences to be always available and always secure, and you need to make certain your sensitive business data stays safe. Your security services should include a firewall and unified threat management (UTM), intrusion detection and prevention, anti-malware, anti-virus, event log management, DDoS protection and more.



**WiFi:** Your guests expect to be able to connect mulitple devices to your WiFi network, and they demand seamless connectivity throughout your property. Fast, ubiquitous WiFi is crucial for attracting and retaining guests, as well as for those all-important positive review scores. Dedicated fiber connections combined with a managed WiFi solution enable you to deliver consistent connectivity to guests throughout your property, whether inside guest rooms or outside on your grounds. And a managed solution provider handles installation, service and end-user support for a single monthly fee, helping you avoid large capital outlays for hardware and equipment.

**Voice and collaboration solutions:** Being able to scale phone services as needed, and having features that enable collaboration — such as chat, voice, video call and desktop share — can help improve efficiency and reduce costs. Look for a turnkey voice solution that offers rich collaboration features such as a soft client that runs on your laptops and mobile phones, instant messaging and presence, video calling and desktop sharing that lets your team members collaborate from any location. A good cloud-based voice solution can relieve you from the burden of purchasing and maintaining on-premises equipment. It delivers everything over a private and secure fiber network, and lets you customize your service to meet your specific business needs.

### In-room entertainment that drives brand equity and revenue: $|\top$

modernization extends to your in-room TV. Leverage it for more than just entertainment by viewing it as your in-room technology platform. Choose a solution that provides guests with digital access to services, such as the ability to order room service, schedule spa appointments and view on-site activities and local attractions. The best solutions integrate with your property management system (PMS) to help you simplify processes and streamline operations, such as housekeeping requests and check-out services, driving down costs — while also meeting guests' demands for contactless experiences.

# You don't have to go it alone

Independent hoteliers focused on making processes more streamlined and automated, should consider managed services for their IT modernization efforts. A good managed service provider partners with you, working as part of your in-house team. While you remain free to focus on strategic priorities that support your business, experts will modernize your legacy systems and ensure that your data is always secure. The predictable cost of managed services also helps with your budget planning, reducing the risk of unexpected repairs and expenses. And 24/7/365 monitoring keeps your IT infrastructure humming along at peak performance day after day.

Hoteliers should also consider the benefits of a single IT provider. It makes it easier to integrate data, internet and security solutions, while reducing hassles and increasing productivity. This will become increasingly helpful as advanced technologies like artificial intelligence (AI), IoT and robotics begin to play bigger roles in the hotel industry's future. And if the provider offers voice and TV solutions as well, it can streamline your vendor management and lead to cost savings.



# The clear benefits of modernization

Technology is developing at a rapid pace and this puts added pressure on independent hoteliers who regularly struggle with resource constraints and lean IT staff. In addition to working hard at marketing and growing your business, you must also stay on top of evolving security requirements, as well as upcoming trends and new technology solutions that affect your guest experiences and operations.

Innovations in internet technology, cloud systems, WiFi, voice solutions and mobile devices are now merging together at a pace unlike anything we've witnessed in the past. And the promise of these new technologies can be realized with IT modernization.

Forward-thinking independent hotels that embrace a single IT provider and managed services as part of their modernization efforts will be best prepared to:

- Make processes more streamlined and automated to drive down cost.
- Retire legacy systems and solutions with high or increasing total costs of operations.
- Evolve and expand their infrastructure, network and technology with limited staff and resources.
- Gain flexibility in their network to accommodate for quickly changing guest needs.

The hospitality IT experts at Spectrum Enterprise are here to help. Let's work together to meet your IT modernization goals.



- 2. "67% of surveyed hotels report staffing shortages," American Hotel & Lodging Association, February 5, 2024.
- 3. "How to Prevent Malware Attacks and Promote Cybersecurity at Your Hotel," Hotel Tech Report, January 26, 2022.
- 4. "<u>Cost of a Data Breach Report 2023</u>," IBM, 2023.

### About Spectrum Enterprise

Spectrum Enterprise, a part of Charter Communications, Inc., is a national provider of scalable, fiber technology solutions serving many of America's largest businesses and communications service providers. The broad Spectrum Enterprise portfolio includes networking and managed services solutions: Internet access, Ethernet access and networks, Voice and TV solutions. The Spectrum Enterprise team of experts works closely with clients to achieve greater business success by providing solutions designed to meet their evolving needs. For more information, visit enterprise.spectrum.com.

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<sup>1. &</sup>quot;Michal Christine Escobar, "2024 Hotel Industry Outlook: Back to Basics," Hospitality Technology, January 31, 2024.

<sup>5. &</sup>quot;Netscout Identified Nearly 7.9 Million DDoS Attacks in 1H2023 According to Its Latest DDoS Threat Intelligence Report," Netscout, September 26, 2023.