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**“IDEAS” FOR THE
HOSPITALITY SECTOR**

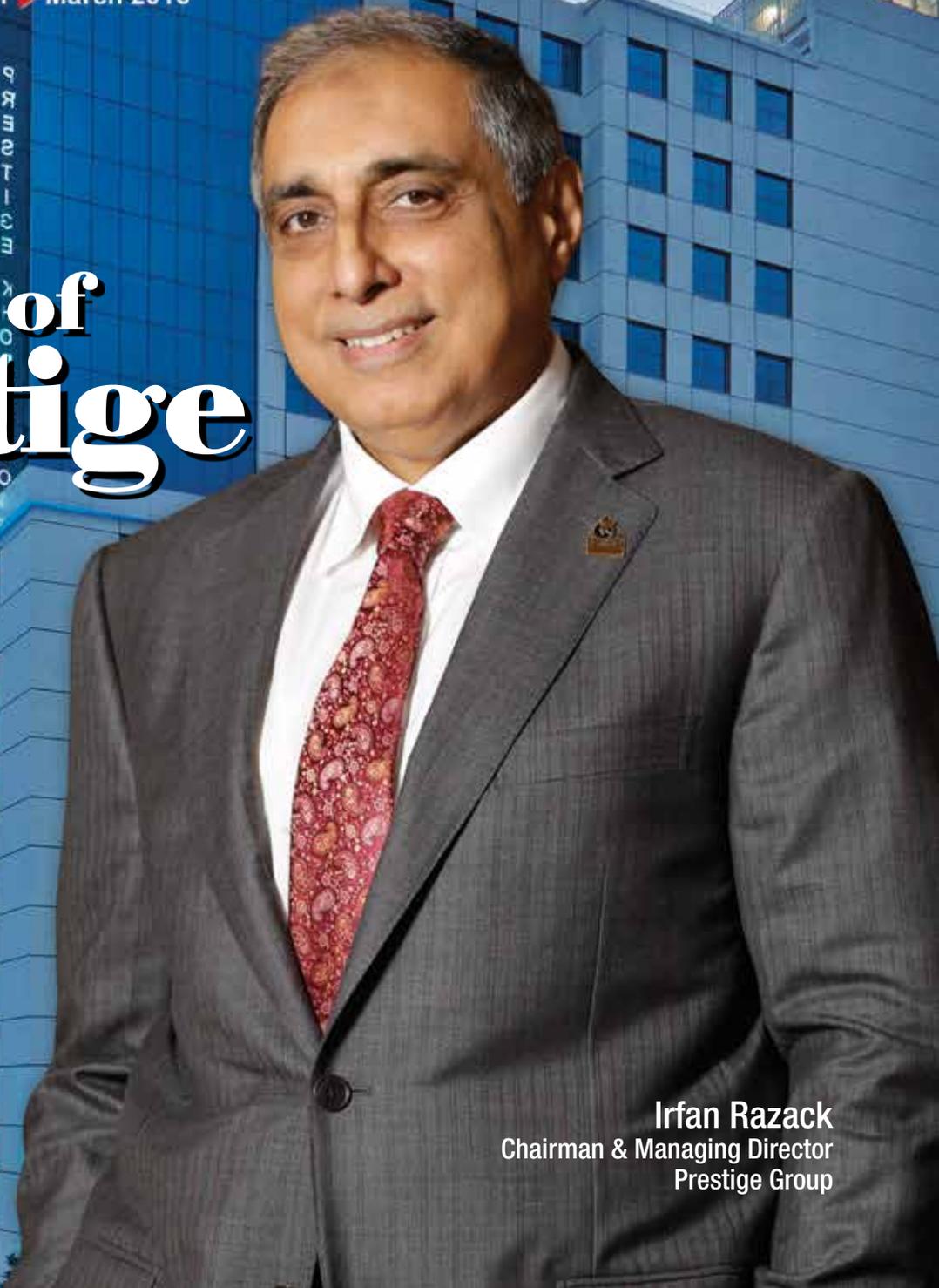
**INTERVIEW OF
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**A Matter of
Prestige**



Irfan Razack
Chairman & Managing Director
Prestige Group

“IDeaS” for the Hospitality Sector

Two US based Indian computer scientists Dr Ravi Mehrotra and Sanjay Nagalia have proved that big data analytics and technology can best solve the problem of revenue optimization for hospitality businesses facing unpredictable fluctuations in demand.

-By Chandran Iyer



Left to Right - K.S. Prashant, Managing Director of IDeaS Revenue Solutions, Dr. Ravi Mehrotra, President and Founder of IDeaS Revenue Solutions and Sanjay Nagalia, Chief Operating Officer of IDeaS Revenue Solutions

The Indian tourism and hospitality industry has emerged as one of the key drivers of services growth. The highly-regarded “Incredible India” initiative of the tourism board has generated a significant amount of global inbound travel.

With the rise in the number of global tourists and realising India’s potential, many companies have sharply increased their investment in the tourism and hospitality sector. However, the cyclical nature of the tourism industry has had considerable impact on the hospitality sector. The recent global financial crisis and the resulting slow-down of the economy and competitive pressures have impacted profit margins. Hence it has become

even more necessary for hotels to become innovative in their approach. There is a need for solutions to help them optimize their revenue performance and also forecast better.

Dr Ravi Mehrotra and Sanjay Nagalia, both IIT Kanpur alumni, felt that technology and data analytics can best solve the problem of revenue optimization for businesses facing unpredictable fluctuations in demand. They came up with a solution to give detailed, reliable and real time pricing decisions so that hotels can have the ability to book the right guest at the right time and at the right rate, with a few simple keystrokes.

The duo founded a company in 1989 named Decision Systems



(changed shortly thereafter to Integrated Decisions & Systems, Inc., or “IDeaS” for short). Its initial focus was on developing client server-based revenue management systems for the airline industry. IDeaS set up shop in Minneapolis/St. Paul and primarily served Northwest Airlines. However, Ravi and Sanjay soon discovered another market that could greatly benefit from automated revenue management systems: hotels. Since then, there has been no looking back.

Explaining the reason for starting the company, Ravi said “IDeaS was founded more than 25 years ago to help the hoteliers to make better pricing decision to optimize revenue. This is because the quality of their decisions determine the degree of their success. We help them to take decisions based on the data so that the decisions are more scientific and analytical”. He said their unique approach has been helping both major hotel chains and independent properties to generate better profits. “So essentially what our software does is forecasting and based on forecasting it is doing optimisation. The interesting part is that it is forecasting every day and every time. Thus the hotelier can price the rooms differently for different days and different time based on scientific data”, Ravi added.

Ravi and Sanjay worked intently to understand the industry and the specific revenue challenges of hotel businesses. They reverse-modelled everyday hotel revenue problems to fully understand each factor and its business impact. Focusing on length of stay and overbooking, their earliest systems were a success. From there, the automated revenue management concept gained traction quickly, thanks in part to two major hoteliers becoming the earliest IDeaS clients: Shangri-La and Hilton International.

Sanjay said, “Hotel businesses were used to managing revenue in a very manual and subjective way, and much education was required in terms of how automated revenue management technology could benefit them. In fact, we were known as the ‘crazy scientists’ early on. But as we began to prove how our technology helped revenue managers and hotel businesses perform better, this label became a positive thing.”

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As its international client base grew, IDeaS opened several full-service offices around the world to continue providing highly responsive sales, service and support. The company currently complements the Minneapolis headquarters with support, sales and distribution offices in North and South America, the United Kingdom, Europe, Africa, the Middle East, Australia and Asia. The company’s largest product development and support team is based in Pune.

IDeaS employees empower thousands of hotel professionals to perform their jobs with exceptional speed, precision and



profitability. They are all driven by the company's original motivation: to help businesses base complex revenue decisions less on "gut instinct" and more on empirical science and predictive analytics, achieving optimally priced services on an ongoing basis.

Prashant K S, Managing Director who looks after IDeaS' centre in Pune, says, "The IDeaS Pune Center has been actively involved in product development

and as well as advanced analytics support since 1999. It has been supporting hotels across the world on over a million of pricing decisions every day, leveraging capabilities in high-end analytics, enterprise software development and frontline technical and analytics decision support. The centre also brings profound domain expertise in revenue management to bolster customer outcomes". Talking about the hiring process, Prashant said "being an industry leader in high end analytics driven revenue management solutions, IDeaS follows a very stringent process for hiring both technology experts and hospitality professionals. IDeaS also hires only from the premium engineering colleges in the country".

In 2008, IDeaS was acquired by SAS, enabling IDeaS solutions to leverage the world's best business analytics capabilities — and again redefining what is possible with hotel revenue management. IDeaS' systems are implemented as a Software as a Service (SaaS) deployment with very little infrastructure, guaranteeing small upfront costs and easy implementation.



“I am proud of our accomplishments and we feel lucky to partner with so many forward-thinking hoteliers. Our clients share in the IDeaS success story, and we look forward to many more collaborative successes in the future.”

Asked about the type of hotels that can use the IDeaS solutions, Sanjay said “We have product offerings for large hotel chains as well as single property hotels. Hoteliers in different parts of the world were using a variety of technology platforms for their property management, central reservations, channel management and competitive rate shopping systems. Seamlessly delivering information from one system to another was critical. Over a period of several years, IDeaS invested significant resources toward ensuring that its technology worked with the most popular hotel information systems in use around the world. “The result is the broadest compatibility of any revenue management solution in the market today, comprising more than 100 certified integrations worldwide”

IDeaS’ best-in-class technology is augmented by comprehensive training, support and consultation programs to ensure clients get the best performance and highest returns from their investments. Conducted under the IDeaS for Success banner, these services are internationally recognized as one of the world’s best, contributing to the company’s client retention rate of more than 95%.



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This is the reason why IDeaS has more than 7,500 clients in 100 countries. IDeaS clients comprise properties and chains including but not limited to Hilton International, Shangri-la hotels and resorts, Jumeriah, the Wyndham Hotel group, Mandarin Oriental Hotel Group Vail Resorts, The Venetian, Travelodge, Sun International and Kempinski Hotels and Resorts.

“We have much to celebrate looking back on more than 25 years of focusing on what’s next and driving innovation for those we serve,” Ravi said. “I am proud of our accomplishments and we feel lucky to partner with so many forward-thinking hoteliers. Our clients share in the IDeaS success story, and we look forward to many more collaborative successes in the future.” ★

