

HY824

Technology Edition
Entering The
Everything-Data Decade



The Hotel Yearbook
Foresight and innovation in the global hotel industry



Pillars of Continuity: A CTO's Strategy for Navigating Tech Trends in Hospitality IT



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Matt Schwartz, CTO of Sage Hospitality Group, underscores the importance of foundational pillars in the ever-evolving field of IT, drawing a parallel to the enduring structures of ancient Greece. Upon joining Sage in 2015, Schwartz established five key strategic pillars that guided Schwartz's IT strategy, enduring through various technological trends. Schwartz details the integration of AI into these areas, enhancing data analysis, personalized guest experiences, cybersecurity, associate productivity, and guest services. He advocates for AI's role in future innovations, including hiring processes and advanced technical support, urging IT leaders to identify their own foundational pillars to navigate constant change.

Pillars of Continuity: A CTO's Strategy for Navigating Tech Trends in Hospitality IT

The Greek philosopher Heraclitus is credited with saying, "Change is the only constant in life". And no functional discipline changes more frequently and more dramatically than IT. So how do hospitality CTOs keep up with all of this change? Well, similar to the ancient Greek structures like the Parthenon and the Acropolis that are still standing today, the key to longevity is to have strong, foundational pillars.

In 2015, I took the helm of the IT team at Sage Hospitality Group. I identified five focus areas – my pillars for success. After securing buy-in from the CEO and the board, these pillars became the foundation for our IT strategy. For the past nine years these pillars have remained constant, they have become my de facto agenda, even as the hype cycle around new

technologies such as blockchain, NFTs, cryptocurrency, and, more recently, AI, have dominated discussions. True foundational pillars stand the test of time, especially as technology fads come and go. Here are my five pillars:

01 Business Intelligence (BI) and Analytics

Despite years of hype around BI – dashboards, alerts, Big Data, Hadoop – many development teams still define success by sheer volume of reports or dashboards. But hospitality leaders didn't enter this industry to be buried in reports. To solve for this potential misalignment, I focus on cutting through the noise by delivering fewer and more impactful reports. Each report must drive tangible value; unused reports are decommissioned. This frees up valuable time for what truly matters: ensuring data quality.

02 Customer Relationship Management (CRM)

At Sage, we always strive to provide personalized and memorable guest experiences, and the key is knowing preference details for each guest. After exploring various CRM platforms Salesforce.com emerged as the best option. Now, our independent hotels, spas, restaurants and guest Wi-Fi systems, feed data directly into Salesforce.com. This has resulted in the creation of a powerful, proprietary, CRM database that contains more than 1.5 million unique guest profiles. As the database grows in both volume and detail, we can recognize repeat guests with "surprise and delight" experiences across our portfolio of independent hotels and restaurants.

03 Cybersecurity

Cyber criminals have not been kind to the hospitality industry. Just last year, giants like MGM Resorts, Motel One, Caesars Entertainment, and Omni Hotels & Resorts fell victim to major attacks. For every vulnerability we address, the cyber criminals seem to find five vulnerabilities to exploit. We

are constantly in reactive mode, always playing defense; the power dynamic isn't changing.

However, proactive defense is possible. We must build a security framework and invest in the areas of prevention, detection, and response. At Sage we follow the NIST Cybersecurity Framework (CSF) and prioritize endpoint monitoring, network monitoring, email scanning, associate identification and authorization, as well as associate training and routine testing. This is one area of IT where spending is an investment, not a cost. We constantly inspect for intrusions, and are prepared to respond quickly – having a relationship with a good cyber attorney always helps too.

04 Increasing Associate Productivity

Labor is the number one expense of running a hotel and many hotels are still operating with reduced labor levels after the pandemic. Given the challenges of this labor environment, we must empower associates with tools to tackle their workload and increase efficiency. At Sage, we equip our team with tools to help them 'do more with less.' We use Microsoft Office 365 for email and productivity applications, Box.com for file management and document collaboration, Zoom for web conferencing, Asana for project management, and Concur for expense management. This streamlined approach frees up valuable time, allowing our associates to focus on what really matters: creating amazing guest experiences.

05 Improving the Guest Experience

At Sage Hospitality our mission is to "Enrich Lives, One Experience at a Time." Guests expect the basics: ample hot water, A/C on a hot day, reliable Wi-Fi and clean rooms. But it's the extras that transforms an overnight stay into a memorable experience. The warm and knowledgeable team behind the front desk, the engaging activation

in the lobby, a compelling food and beverage program, inviting scents and music...it all adds up to create an atmosphere that makes a guest smile. We look for opportunities where technology can mitigate friction; think online check-in, kiosks, mobile key, interactive guest communication, and plenty of power outlets.

Applying AI

Now, back to my original analogy about the architecture of ancient Greece: these pillars are meant to stand the test of time. So let's apply the five Sage Hospitality IT pillars and see how it can help to strengthen our foundation: AI, have dominated discussions. True foundational pillars stand the test of time, especially as technology fads come and go. Here are my five pillars:

01 Business Intelligence (BI) and Analytics

We are applying a private instance of OpenAI's ChatGPT to our financial data so that all corporate and property leaders can retrieve information without having to login, or navigate, any applications.

02 Customer Relationship Management (CRM)

We are leveraging Salesforce.com's "Einstein" AI to create micro-targeted guest lists for intelligent email marketing offers. With AI, CRM platforms can recognize guest behavior patterns to create customized promotions and maximize campaign performance.

03 Cybersecurity

All of our primary software partners, including CrowdStrike, Arctic Wolf Networks, Abnormal Security, and Okta, leverage AI for anomaly detection and pattern recognition, as well as Machine Learning (ML)

techniques for identifying malicious activity.

02 Increasing Associate Productivity

All of our primary productivity tools have implemented AI enhancements. Microsoft introduced Copilot for Office 365 which automates tasks across the Office portfolio. Box.com introduced Box AI which helps to create new documents and summarize existing documents. Zoom introduced Zoom AI which summarizes meetings, providing notes and action items for each attendee. Over time I imagine that all of our productivity tools will deploy AI functionality, providing us a path to continue to increase associate productivity.

02 Improving the Guest Experience

We are piloting several guest-facing applications of AI including facial recognition, voice assistants in the guest room, AI-based phone operators, and robots. Many guests, particularly in the lifestyle hotels that Sage Hospitality operates, want to interact with people, so we are being extremely thoughtful about how and when to use



Looking ahead

AI is poised to revolutionize the hiring process. Imagine resumes analyzed for fit and accuracy; technical interview questions crafted by AI, and perhaps even AI-powered initial screenings. As IT leaders we need to get ahead of the curve and start incorporating AI skills assessments into interviews: do you use ChatGPT and if so, for what purposes? We have the opportunity to start evaluating candidates based on their first-hand use of AI skills, not just their traditional qualifications.

I think we can all agree that technical support is due for an overhaul. AI-enabled chatbots and phone operators are becoming commonplace for basic technical support. But the future holds something bigger: imagine a world where my well-trained technical support bot doesn't just troubleshoot, it would have secure access to your computer, phone, server, and be able to help on the spot. If it gets stumped, my personal support bot could escalate the matter when it needs my assistance. With this additional functionality my technical support bot could theoretically handle even Tier 3 support issues.

What are your primary focus areas? Once you identify your pillars you will have a robust, hospitality CTO agenda that will guide you through the change we are certain to encounter.



Matt Schwartz
Chief Technology Officer
Sage Hospitality Group





Hospitality Tech
Industry Calendar
2024-2025

HITEC® 2024 Charlotte
Jun 24 – 27, 2024
Charlotte Convention Center

**HSMAI Americas - Commercial
Strategy Conference**
Nov 25 – 26, 2024
Charlotte Convention Center

**HITEC Technology Investment
Conference**
Jun 27 – 28, 2024
Charlotte Convention Center

2024 Hotel Data Conference
Aug 7 – 9, 2024
Grand Hyatt Nashville

Skift Global Forum 2024
Sep 17 – 19, 2024
The Glasshouse, New York

HEDNA Asia Distribution Conference
Sep 23 – 24, 2024
Siam Kempinski Hotel Bangkok

FHS World 2024
Sep 30 – Oct 2, 2024
Madinat Jumeirah Conference &
Events Centre

**HSMAI Asia - Digital Marketing
Conference**
Oct 10, 2024
Phuket

Hospitality Tech Expo
Oct 15 - Oct 16, 2024
Excel London

ITB Asia
Oct 23 – 25, 2024
Marina Bay Sands Singapore

The Hospitality Show 2024
Oct 28 – 30, 2024
San Antonio, TX, United States

Cvent CONNECT 2024 - Europe
Nov 5 – 7, 2024
Hilton London Metropole

**International Hotel Technology Forum
Asia 2024 (AHTF)**
Nov 12 – 13, 2024
Pan Pacific Singapore

Hotel Technology Forum (HTF) 2024
Nov 18 – 20, 2024
Rancho Palos Verdes

The Phocuswright Conference
Nov 19 – 21, 2024
JW Marriott Phoenix Desert Ridge
Resort & Spa

**HSMAI Middle East - Commercial
Strategy Conference**
Nov 26 – 27, 2024
Conrad Dubai

**HSMAI Europe Revenue Optimization
Conference**
16 Jan, 2025
London

**HEDNA Global Distribution
Conference: North America**
Jan 27 – 29, 2025
Catamaran Resort Hotel and Spa

ITB Berlin 2025
Mar 4 – 6, 2025
Messe Berlin

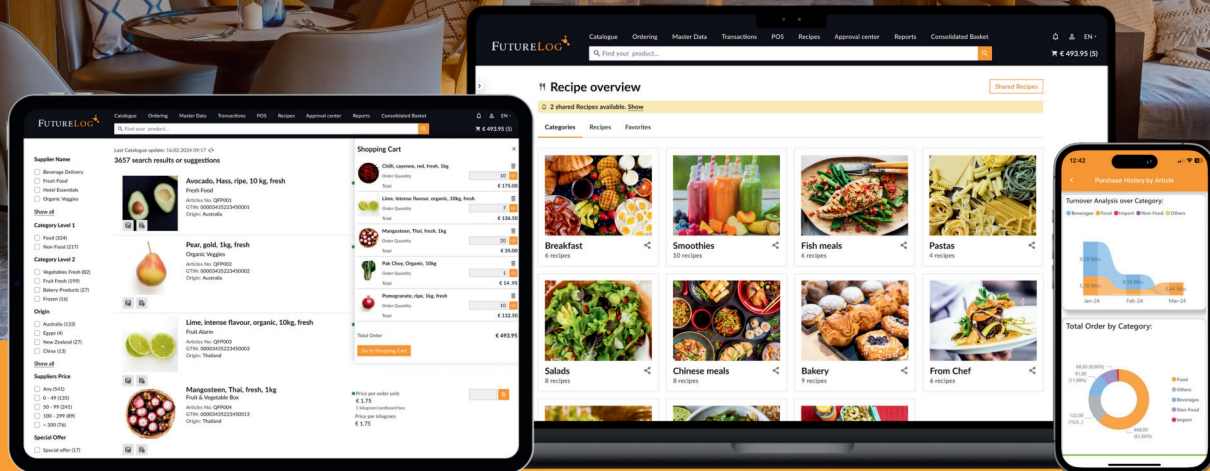
**International Hotel Technology Forum
2025 (IHTF)**
Mar 18 – 20, 2025
Lisbon

HITEC DUBAI
May 27 - May 29, 2025
Dubai World Trade Center

HITEC® 2025 Indiana
Jun 16 – 19, 2025
Indiana Convention Center

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- Denis Karalić, ACHAT Hotels

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