Presenter

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Five trends are shaping the hospitality industry today

Surge in travel, changing demographics
1.8 billion international travelers by 2030. By 2020, millennials = 65% of guests in Asia, 70% worldwide.

New digital customer values
Guests want authenticity, personalization, co-creation, social and emotional connection, seamlessness, convenience, control, speed, and precision.

Being big and small at the same time
Consolidation leads to larger brands, while individual brands are more targeted and individual properties need to differentiate.

Battle for mindshare
Direct relationship with guests is the golden ticket. Millennials collect experiences and events – not commodities.

Fierce competition
In NYC, September 2014 to August 2015, 480,000 hotel room nights were reserved while more than 2.8 million room nights were booked on Airbnb.
Hotel stakeholders and their main concerns

**Operator / Brand**
- Guest Comfort
- Operational Excellence/efficiency
- Standardization across different hotels in chain
- Sustainability
- Reliability

**Owner / Investor**
- Reduce CAPEX
- Faster ROI on Property
- Compliance to Operator requirement
- Sustainability
- Prestige of the Brand

**Consultant**
- Functional Design
- Operate within time constraints
- Fulfill Development Contract at lowest cost
- Ensure quality standards are maintained
- Aesthetics

1. Marriott/Starwood
2. Hilton
3. Accor
4. IHG
5. Hyatt

1. Al-Hokair
2. YTL Corporation
3. FULI
4. HOST
5. Panschil

1. Aecom
2. Saud consult
3. BPI - Lighting Design
4. Bo Steiber Lighting design
5. Arup
Hotels designed to maximize your business performance
Hotels need to ensure guest satisfaction, maximize efficiency, and reduce carbon and energy use

- A 1% increase in a hotel’s online reputation score can lead to an increase in RevPAR of 1.42%.
- Labor is the single largest expense for hotels – representing between 35% and 45% of operating costs.
- There is a great shortage of labor in this industry, and the service mindset is often missing.
- Energy is the 2nd largest spending category for a hotel after employment, representing 6% of hotel operating costs.
- Guests and B2B clients demand sustainable hotels – climate stewardship drives loyalty and revenue.
Guest comfort is always the number one priority and directly affects hotel profitability. One Cornell study found that “if a hotel increases its review scores by 1 point on a 5-point scale … the hotel can increase its price by 11.2 percent and still maintain the same occupancy or market share.”

Increased Integration in hospitality. Why NOW?

**Personalization**
- Guest identity management
- Enhanced guest journey
- Readiness of FoH and BoH services
- Better anticipation

**Integrated services**
- Enables mobility
- Improves efficiency
- Data accessibility
- Enhanced visibility
- Always ready and responsive
- Scalability

**Revenue**
- Retention of guests
- Better forecasts
- Cost savings – better bottom lines
Terminology – Digi what?

Digitization, Digitalization and Digital Transformation three quite different Terms…

- **Digitization**
  
  Essentially refers to taking analog information and encoding it into zeroes and ones so that computers can store, process, and transmit such information.

- **Digitalization**
  
  Is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities. Automation of processes, roles and tasks is a major part of the digitalization story.

- **Digital Transformation**
  
  refers to the customer-driven strategic business transformation that requires cross-cutting organizational change as well as the implementation of digital technologies. It involves a cultural shift… however Digital transformation initiatives will typically include several digitalization projects.
What should we really automate in a hotel? Why? How?

Guest experience
- Mobile check-in and room access
- Intuitive room control, BYOD & BYOC
- Mobile room service, digital concierge, etc.

Energy management
- Occupancy-based control
- Daylight harvesting throughout
- Demand response

Destination experience
- Guest journey: from booking to next stay
- Embrace modernity
- Localized services and resources
- Valuation of social places frequented by guests
- Retain guests and talent
- Waste management
- Have great global tech partners
How? - An open platform enabling easy integration with other systems to create value for customers

“The openness of EcoStruxure is a key differentiator allowing us to win a few key projects and take up more projects with the same resources.”

EcoXpert in North America
Hotel Owner Showcase, Singapore

Exceeding the expectations of digital natives

Millennial-targeted property is the testbed for innovative experiences that the company is looking to roll out worldwide

Provides voice-activated services, apps, chatbots, and robotic laundry system

Integrates with Opera PMS and Housekeeping

Open architecture and cooperation with our technology partners SmartVoice
Hotel Owner Showcase architecture with 3rd party integration
Sri Lanka’s largest hotel, with **501** guest rooms, **14** restaurants, **10** event spaces, **2** pools, **2** gyms, and a luxury spa

**$1.1 million**
Investment

**$350,000**
Annual guaranteed savings

**3.1 years**
Payback

**3,600**
Saved room nights

"Hotel chains need smart, interoperable solutions that run on a proven technology platform, backed by continuous R&D. Schneider Electric’s innovative EcoStruxure Building offering meets those needs.”

Rukshan Sheriff, Director/CEO, Lanka Energy Conservation
Hilton Worldwide
Washington DC, USA
One of the top three hotel chains in the world

5,600 properties with 880,000 rooms in 100+ countries

14.5% energy savings since 2009
3% average energy savings each year

“Energy is a major cost component for Hilton Worldwide. It’s the second largest expense to labor.”

Thomas Webster, Director of Strategic Sourcing Energy Management, Hilton Worldwide
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