



10 Years Down the Road - Next Gen E-Business Opportunities and Issues

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Panel Outline

- Introduction
 - Purpose
 - Definition
- Evaluation Framework
- Crash Course - Terminology
- Opportunities and Issues
- Panelist Remarks
- Q&A

Introduction

It's been roughly 10 years since the mainstream adoption of the Internet.

What has changed?

What opportunities do these changes enable?

What are principal constraints?

Definitions

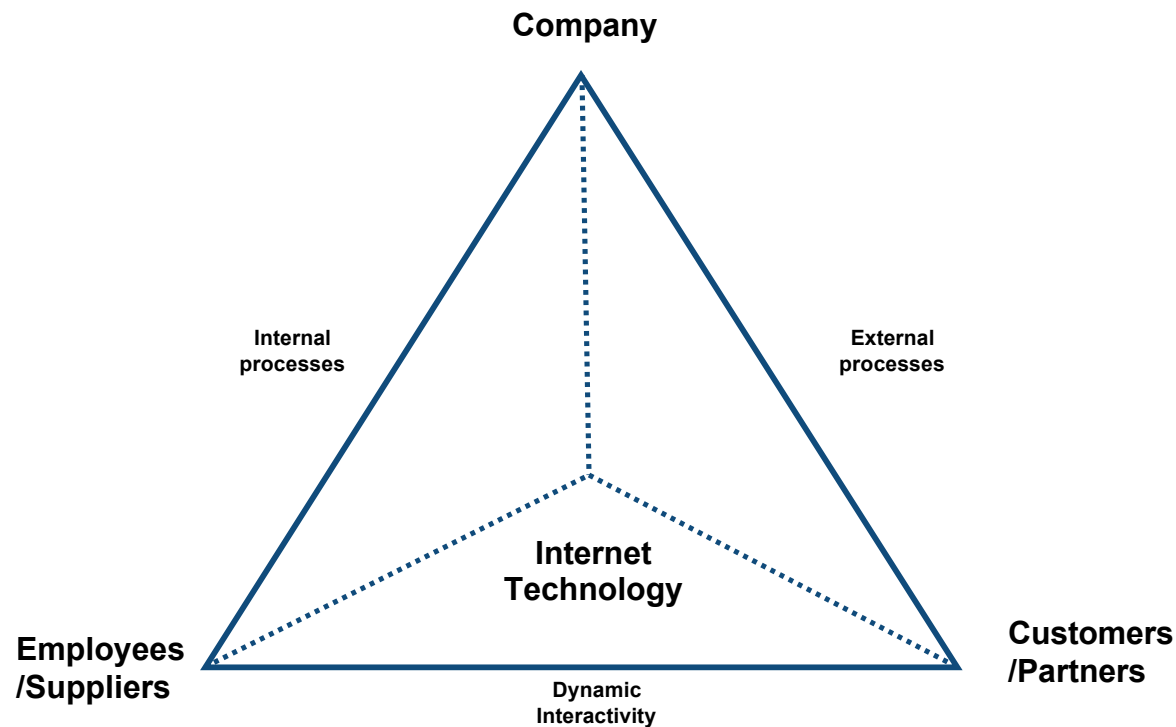
- **Electronic commerce (e-commerce)**
- **Electronic Business (e-business)**

Evaluative Framework

Over 30 years...travel and hospitality among first to adopt e-Commerce.

As with e-commerce, consider how e-business could change intra and inter enterprise processes along the entire value chain.

Operations Supply Chain Human Resources Sales and Marketing



Adapted from Kotler, 1994; Parasuraman, 1996

Crash Course - Terminology

- **Extensible Markup Language (XML)**
- **Web Services**
- **Service Oriented Architecture (SOA)**
- **Asynchronous JavaScript and XML (AJAX)**
- **Web 2.0**
- **User Generated Content or Consumer Generated Media**
- **Social Network Site**
- **Mash Ups**
- **Converged Networks**
- **Wikis**
- **Blogs**

Opportunities and Issues

Opportunities

- **Centralized, above –property systems**
- **Seamless Interoperability**
- **Dynamically Customized Experience**
- **Properties as Service Delivery Centers**
- **Operations Optimization**

Issues

- **Cross Industry Communication**
- **Human Interaction with Digitized Media**
- **Organizational Inertia**
 - **Funding – The ROI-Reducing nature of SOA**
 - **Legacy systems**
- **Technical Immaturity**
 - **Complexity**
 - **Security and Privacy**

Panelists

Brad Carr, SVP – Starwood Hotels and Resorts

Bill Peer, Director and Chief Architect - IHG

Valyn Perini, Executive Director – OpenTravel Alliance

Connie Rheams, VP Business Development – Altius PAR

STARWOOD

Hotels and Resorts Worldwide, Inc





InterContinental Hotels Group



Bill Peer

Director and Chief Architect
Global Distribution Systems

We have more guest rooms than any other hotel company in the world – that's almost 564,000 rooms in over 3,800 hotels across nearly 100 countries. Our guests make over 120 million stays in IHG hotels every year.



Great hotels guests love

Leveraging Open Standards for Collaborative eBusiness

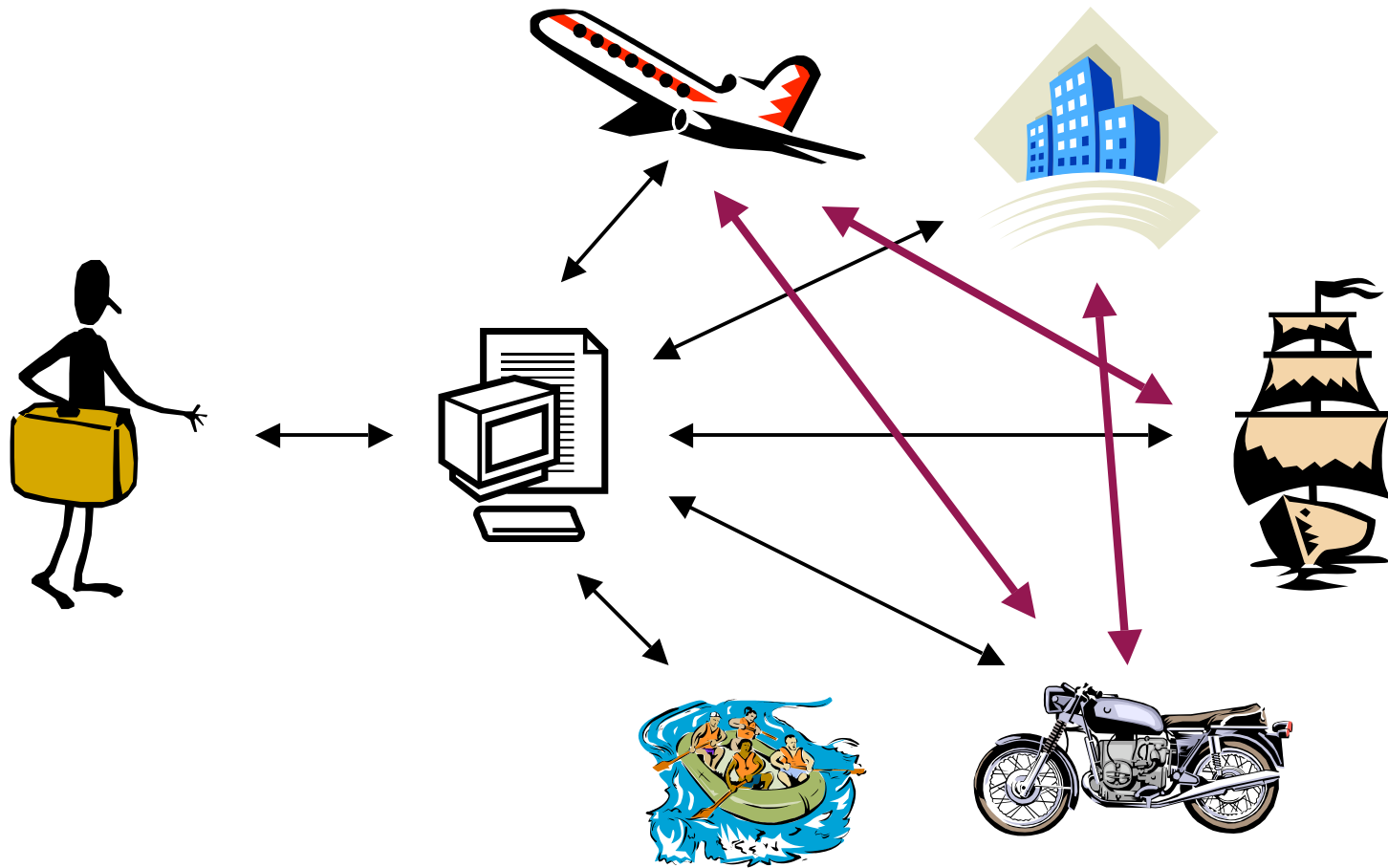
Valyn Perini
Executive Director
IH/M&RS
2007



What is OpenTravel?

- Self-funded, non-profit organization
- Founded in 1998 by the major airlines, hotels, car rental companies, distributors and technology companies
- Members include cruise lines, railways, travel agencies, tour operators, GDS', distributors, technology and solutions providers
- Creates open messaging specifications in XML for every vertical in the travel industry
- Promotes the use of those messages
- Provides implementation guidance to members

We Deliver Traveler Information



Why Use Standards?

- Reusability from partner to partner
- Less implementation time
- Lower IT costs
- More agile and responsive business
- Credibility in the marketplace - I Use Opentravel

Why Open Standards?

Sleeping rooms aren't widgets...

- Specifications are given away
- Zero-cost model spurs adoption
- Widespread adoption generates wider implementation and further interest in specification
- Interest generates memberships which provides ongoing operational capital

Interoperability since 2001

- 240+ message sets
- 35,000 individuals have downloaded specification from opentravel.org
- 500+ message registrations
- Tens of thousands of messages in use
- Tens of millions of messages exchanged daily between trading partners using our schemas
- De facto standard in travel electronic distribution



Next Generation E-Business

Connie Rheams

IH&MRS

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Supporting Next Generation E-Business.

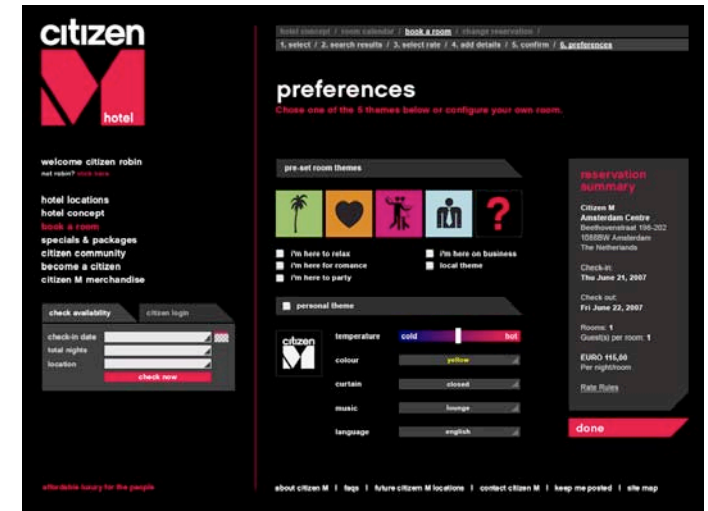
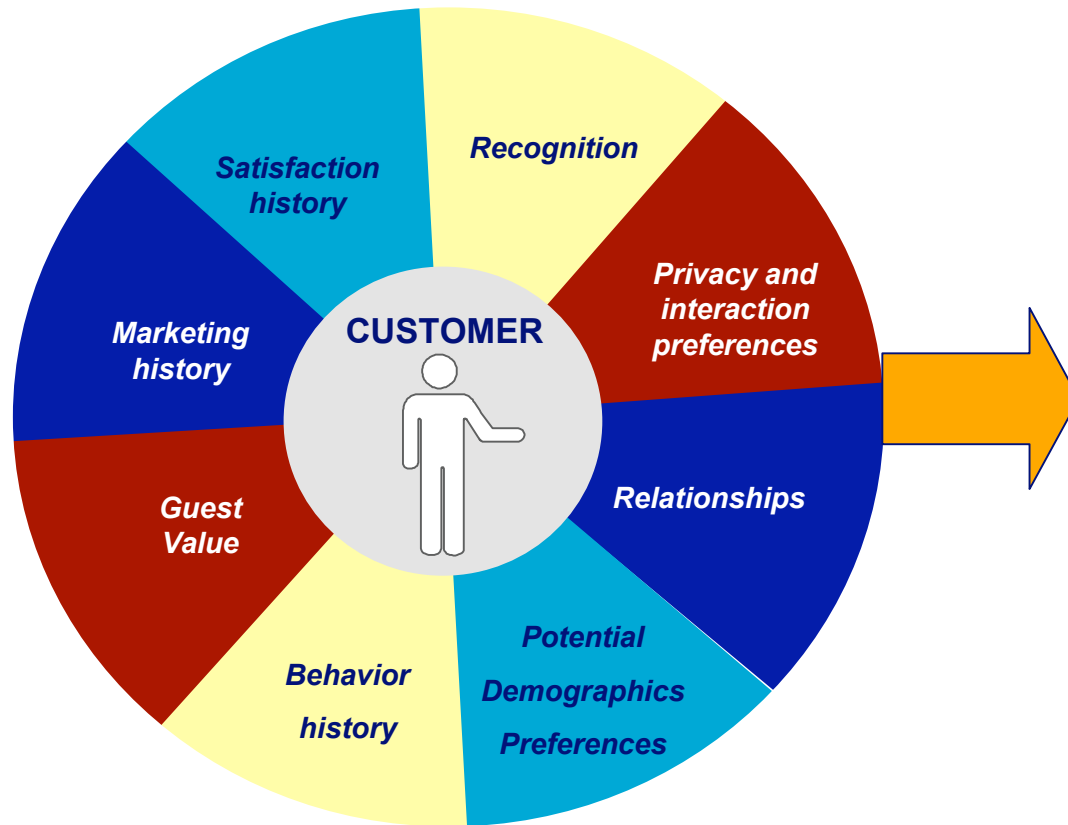
- Central Inventory System that integrates PMS, RMS, GDS, distribution channels and other data sources.
- Centralized Web-service components comprise the “application(s)”.
- Software as a Service - eliminates costs and enables strategic focus



SaaS and NextGen e-Business Opportunities

- Uniquely composed “applications”
- Seamless upgrades, version releases
- Variabilization of costs = flexible exit strategies
- Upward and downward scalability
- Modular functionality – full to limited service
- Enterprise data model – heart of BI and CRM
- Business process based - flexibility the “business can use”
- Future proof - Open Standards – generally and industry-specific (OpenTravel and HTNG)

Next Gen e-Business: An Example



NextGen e-Business: Some Challenges

- Pace of Change - Rapid response
- Keeping up with state-of-the-art forms
- Community Governance - Managing multiple customers with particular needs while keeping applications standard
- Business Modeling – Business/IT interaction required to design and quantify value added business propositions in timely fashion
- Organizational Issues – engaging management, keeping them fresh and supportive of new ideas and opportunities

Q&A

