



Starwood prepares a warm global welcome for guests with SAP and IBM.

Starwood Hotels and Resorts Worldwide, Inc, is one of the world's largest hotel and leisure companies. The company's brand names include St. Regis, The Luxury Collection, Sheraton, Westin, W and Four Points by Sheraton. Operations cover 748 owned, leased, managed and franchised hotels with approximately 227,000 rooms in 79 countries. In one form or another, Starwood has been serving guests for more than 60 years

Finance and accounting operations are managed in Starwood's Phoenix, AZ, offices, which provide payroll services for more than 53,000 US employees and group-wide management information and reporting. Some 16,500 named users, and 970 concurrent users log in to Starwood's SAP systems, which form the backbone of the majority of its backoffice operations. Starwood runs SAP Financials (general ledger, accounts payable), Payroll, Materials Management, and Sales and Distribution.

Kevin Malik, Senior Director of Corporate Information Systems, describes the Starwood SAP solution: "At the time when we first took SAP live, on IBM AS/400 systems, we had fewer than 100 hotels. Now, we provide

payroll services for 200 properties in North America, and provide budgeting and forecasting for another 300 international properties throughout Europe and Asia.

The challenge was to cope with our rapid growth and provide group-wide management information, very rapidly and at low total cost of ownership."

Making room for the truth

SAP workload was rising rapidly, reaching around 500,000 dialogue steps (with a forecast 1,000,000) and almost 5,000 batch jobs daily. To maintain performance, it was clear that either an upgrade or a new system was required. Starwood selected a new IBM eServer iSeries Model 890, with 32 processors supporting three logical partitions (LPARs). Currently, 24 processors are activated, giving 25 per cent 'headroom' for expansion.

"People don't realise, even within the company, how large and powerful an environment we run with SAP and IBM – they never hear about it. The iSeries system is completely self-managing, it is scalable and robust, and it offers extremely high data integrity and security, an important internal selling point," says Kevin Malik.

Overview

■ The Challenge

Reduce the cost of supporting a diverse IT infrastructure; Standardise management reporting, to gain a 'single version of the truth'; Manage anticipated business growth while keeping cost of ownership as low as possible; Provide consistent group-wide management information at high speed

■ The Solution

Industry: Travel and Transportation
Application: SAP® R/3® Enterprise
Hardware: IBM @server iSeries
Software: DB2

■ The Benefits

Lower costs through the reduction of maintenance and support overhead; Fast, tailored reporting on business performance; Ability to see current business position within just two days; International budgetary and forecasting information delivered from a single location



The Starwood database grows by approximately 2.5GB each day, with a total allocation of around 3TB of storage. Hotels across the globe connect to the SAP systems via WAN, VPN or leased line, and enter financial data and revenue indicators.

Sophisticated and fast

"Starwood has used SAP to create one of the most sophisticated financial systems in the hospitality industry," says Kevin Malik. "We handle payroll for the majority of our hotels in North America, and yet we can close our hotel books in less than two days. From a single location, we provide budget and forecasting, including room occupancy and average rates, for local managers to benchmark their performance.

"The combination of the excellent IBM infrastructure and SAP applications gives us a significant business advantage."

Rapid implementation

The central SAP and iSeries system means that individual hotels have a low IT infrastructure footprint., which supports over 1,700 individual print queues.

"The biggest single advantage is the low total cost of ownership," says Kevin Malik. "We require minimal intervention to keep this system running, and no database administrator role. DB2 is completely self managing, scalable, robust and reliable, and there is an immense amount of data integrity and security. While SAP on iSeries and DB2 is not the most common combination, we get great results."

The cutover to the i890 was straightforward. Starwood upgraded its operating system to OS/400 Version 5 Release 2 on the former system, ran check and test, moved the source code and data to the i890, and moved immediately to production.

Low-cost future

"With SAP and IBM we have been able to reduce operational costs and boost the consistency and accuracy of management information," says Kevin Malik. "By centralising our management of business information, we have ensured that we can deliver higher quality analysis in a more timely fashion, and IBM has given us the capability to grow the environment as our company grows. In addition to offering low cost of ownership today, the current infrastructure can serve our needs cost-effectively in the future."

The Starwood team is already looking at the next steps for the SAP implementation. These will include moving to greater support for non-English-speaking locations, with home-language SAP dialogues.

"We have a long working relationship with both IBM and SAP, and our experience and interaction has always been good. The greatest advantage of SAP on the iSeries is the low total cost of ownership. We have just three people supporting our solution, and it requires almost no maintenance intervention, keeping our costs low," concludes Kevin Malik.

Further Information:

To learn more about how IBM and SAP alliance can help your business, please visit: ibm-sap.com



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