App playbook series

Hospitality app playbook

How to advise your clients on getting the most out of Xero and choosing the right integrated apps

Contents

Who the hospitality apps are for

This playbook looks at the main apps that can benefit a hospitality business.

Main types of hospitality business

Hospitality businesses fall into two main categories: food and beverage, and tourism and recreation providers.

Food and beverage services		
Short service	**Long service**	**Catering**
Cafes/fast food outlets	Restaurants	Event suppliers
Bars/nightclubs		Service contractors

Tourism and recreation providers	
Accommodation	**Arts and recreation**
Hotels	Tourism destinations
Motels	

Current use of apps in hospitality businesses

Hospitality is one of the most dynamic and fast-paced industries for accountants and bookkeepers to serve, and the use of technology in disrupting established business models is a big part of that. However, despite hospitality businesses being among the biggest users of Xero invoicing and payroll* fewer than 50% of them currently connect an app to Xero.

*Xero developer API data, 2019

Barulho | Xero customer

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Hospitality is big business for the global SMB economy. It makes up 8% of all small to medium businesses.

Understanding your client's business

Build a business profile

The first step to recommending the right apps for a hospitality client is to learn more about their business.

We recommend building a business profile covering the areas in the table below:

Business type	What type of hospitality business does your client run?
Goals	What is your client's business trying to achieve over the short and long-term? Do they want to increase efficiency, grow their business, or do both?
Opportunities	Is your client looking to take advantage of new technologies that will increase their customer base and revenue?
Pain points	Is your client looking to address a specific problem within their business? For example, tracking employee time or managing purchases?
Number of employees	How many employees do they have? Are they looking to grow their employee numbers or stay the same?
Current tools	Which version of Xero do they use? What apps, if any, are they using in their business today?
Technology proficiency	How experienced are they and their team with using apps and other software?

Key focus areas for hospitality advisory

Key focus areas for hospitality businesses

This table shows the areas that underpin the operational and sales performance of most hospitality businesses.

| | Food and beverage services | | | Tourism and recreation services | |
	Business area	Short service	Long service	Catering	Accommodation	Arts and recreation
Operational performance	Financials	✔	✔	✔	✔	✔
	Data automation	✔	✔	✔	✔	✔
	Payroll	✔	✔	✔	✔	✔
	Employee scheduling	✔	✔	✔	✔	✔
Sales performance	Point of sale	✔	✔	✔	✔	✔
	eCommerce and booking	✔	✔	✔	✔	✔
	Digital marketing & CRM*	✔	✔	✔	✔	✔

*Data often synced with POS or ecommerce tool, rather than accounting system. See Digital marketing and CRM section.

Prioritising the key focus areas

Use the client scenarios in this table to prioritise which area to focus on first. You can then jump to the relevant section in the playbook to identify suitable apps, or if you prefer, work through the playbook end-to-end.

	Business area	Scenario
Operational performance	Financials	• Client is currently not utilising Xero features to maximise business efficiency and financial performance. • Client does not have the right data flows implemented to get the most from their apps and workflow.
	Data automation	• Client has little or no automation of data entry into Xero. • Client has a high volume of payable invoices to process.
	Payroll	• Client has new or existing staff requirements. • Client needs to comply with government legislation and regulations.
	Employee scheduling	• Client is looking to manage staff timesheets, availability, and/or performance.
Sales performance	Point of sale	• Their POS system is outdated and/or doesn't integrate with other technologies, meaning they have to enter data manually. • Client lacks visibility into their sales performance.
	eCommerce	• Client has no website, a website with limited functionality, and/or they are unable to execute an online booking strategy. • Client is spending too much time manually entering line item information from payments made via ecommerce marketplaces such as Uber Eats.
	Digital marketing & CRM	• Client lacks information about their customer base, including which customers are the most valuable to the business. • Client wishes to grow their new and existing customer base through digital marketing activities.

Cheat sheets

for each focus area

Operational performance

Creating a business platform for hospitality

Regardless of the type of hospitality business or what they are trying to achieve, making sure your client is on the right Xero plan and using the right functionality is key to success. In some instances, you may simply need to make sure they have access to the Xero single ledger in the cloud. However, in the majority of cases it's important to look a little deeper into their workflows.

In this section, we focus on two main issues:

- Does the client have software such as Xero that acts as a platform for connecting other apps and getting the most out of them?
- Is the client on the Xero plan that's most effective for automating and managing their business data alongside their financials?

We recommend taking time to review these questions for each of your clients. Then make sure they understand the value of the right plan and how it's key to their success in connecting other business apps.

Selecting the right Xero plan

Xero Ledger is a great value tool to process annual accounts and for letting your clients see a high-level overview of their financial data. However, it relies on manual imports and coding so doesn't offer the level of automation or transaction detail to efficiently manage cash flow.

To maximise your client's operations, we recommend they upgrade to Xero Cashbook or Xero Business Edition.

Xero Cashbook

Xero Cashbook offers the first step towards the automation required for effective cash flow management. Bank transactions flow directly from your client's bank accounts, so accurate reliable data is available in Xero automatically. This plan is available only through Xero partners.

Xero Business Edition

Xero Business Edition offers the most extensive functionality for managing a hospitality business. In addition to the tools offered by Xero Cashbook, it includes several features that are core to running a successful hospitality business.

It includes:

• bill and invoice management, which allows clients to take a proactive approach to their day-to-day cash flow

• use of the Xero mobile app, which allows clients to check on the status of their financials on the go

• an online dashboard for an instant and up-to-date view of cash flow

Using Xero Business Edition with connected apps

Xero Business Edition integrates with the over 1,000 connected apps in the Xero ecosystem, many of these in the Xero App Store.

They work with Xero, enabling a consistent system of record for business and financial data, ideal for ongoing advisory services as it gives you a full picture of the client's business. Data from connected apps syncs with Xero, streamlining operations and reducing duplicate manual data entry.

There are apps in each of the areas that matter to the operational and sales performance of hospitality businesses.

Operational performance
Compliance and efficiency

Sales performance
Maximising revenue

Operational performance	Sales performance
Financials	Customer relationship management (CRM)
Bill management	Digital marketing
Payroll	eCommerce
Employee scheduling	Point of sale
Inventory	Payments

Discover recommended apps in Xero HQ Explorer
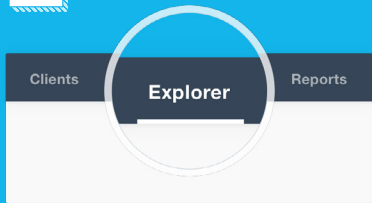
Once you've tagged your hospitality client industries in Xero HQ, select the Explorer tab.
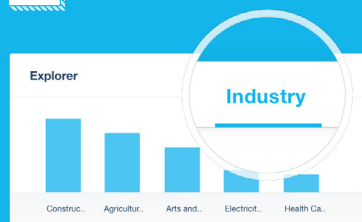
Select the Industry view to see all the clients whose accounts you're invited in to.
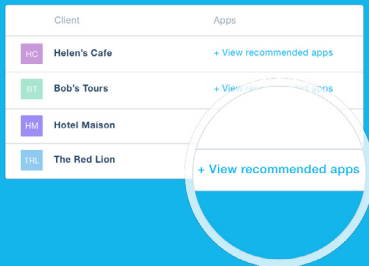
Next to the name of each client, you'll see either a summary of the apps they currently use, or an option to view the apps recommended for them.
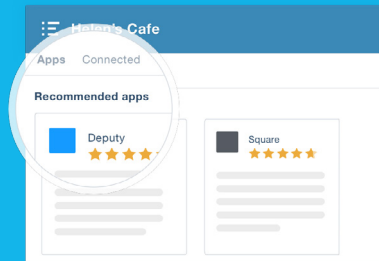
Click *View recommended apps* to see the top four recommended apps based on the client's industry, plus app stack categories to discuss with them.

Selecting an app: understanding the data shared with Xero

As an example, employee details flow from Xero to the Deputy scheduling app and vice versa, and leave requests in Xero sync into Deputy.

Sweet Axe | Xero customer

Automating data

Automating data entry

Using the right transaction codes is crucial to efficiency and accurate reporting of financial performance. If coding is done manually, it can be a long and error-prone task.

Xero Cashbook and Xero Business Edition automate entering and reconciling data via bank feeds (Refer to page 15 on selecting a Xero plan).

Setting up bank feeds

Xero Cashbook and Xero Business Edition allow you or your client to set up feeds from multiple banks and any number of bank accounts. Direct bank feeds are automatic, secure, accurate and reliable, so there's no need to do manual imports.

You can search for banks that integrate with Xero directly within Xero and on the website. Find out more about bank feeds here.
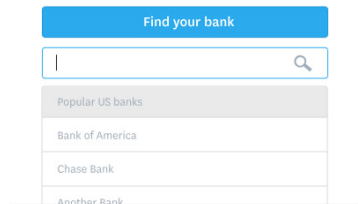
Automated transaction matching

Xero quickly learns from what's gone before, matching and coding bank transactions without the need to set up bank rules; all that's needed is to confirm the suggested matches.
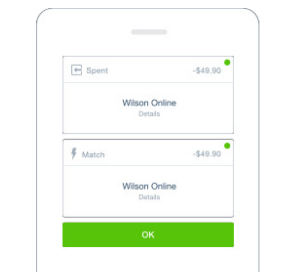
Setting up bank rules

Bank rules make reconciliation even faster. Once set up, Xero uses bank rules to suggested transactions and coding for bank statement lines.

Get more information on bank rules at Xero Central.

Automating bill data

Bills and day-to-day expenses have a significant impact on cash flow, especially for hospitality businesses which often handle and process a significant volume of invoices that need to be paid. In fact, Xero product data shows that hospitality businesses can pay up to 40 more invoices a month than other types of business.

In addition, because hospitality businesses rely on maintaining good supplier relationships (for reliable supply and the lowest cost) they need efficient, bespoke bill management practices.

The tool that works best for you and your client will depend on its features, and value you want to deliver. We recommend you review each tool against current processes (yours and theirs). And your client needs to be clear on what they'll need to do.

Hospitality businesses can pay up to 40 more invoices a month than other types of business.

Bill automation scenarios

Refer to these scenarios to decide which type of bill automation app is right for your workflow.

Practice employees	Current tool/workflow	Bill type	Recommendation	Reason
No. of employees	Do you currently use a bill automation or practice workflow tool other than Xero?	What type of bills do you generally process for your client?	Here's what we recommend	And here's why
< 3	None	Scan PDF/online PDF	Xero (premium plan)	With low usage and no workflow overlap, Xero features such as email to bills may fit your requirements.
< 3	None	Various	Data automation app or tool	The efficiency benefits of a dedicated bill automation tool will ensure you are able to maximise your time.
> 3	None	Various	Data automation app or tool	If you have more than three employees, it's likely that you would benefit from a tool that lets you process documents at scale.
> 3	Yes	Various	Data automation app or tool	It would be worth revisiting with your bill automation app provider that you're set up to best meet the needs of the hospitality industry. Reviewing the feature comparison below is also a good start for understanding the hospitality-specific features available.

Bill automation: tailoring a workflow for hospitality

These considerations will help you get the most from a bill automation solution for a hospitality business.

Scenario	Pain point	Recommendation
Employees share responsibility for storing or capturing receipts	Receipts are often lost, resulting in the failure to capture and record data.	Ensure that staff have access to bill automation software. Consider compatibility with hardware used within the business (eg, Fujitsu ScanSnap compatible devices).
Use of consolidated suppliers (eg, food wholesalers)	Process is repetitive and inefficient (identical task carried out several times each week or each month). Historical data is required for further analysis of spend.	Explore automated fetch functionality for bank statements and common suppliers.
	Agreed price terms are not always followed by suppliers.	Explore automated price checker functionality.
	Bill content may cause inconsistencies in data extraction.	Explore supplier rules, which allow the client to nominate specific data to be extracted.
	Client requires the ability to monitor supplier workflow (including automated ordering and tracking).	Explore supplier ordering platforms in addition to bill automation.
	Client requires the ability to delegate ordering capability to multiple staff.	
Client uses a dedicated inventory system	Workflow may require a direct sync with bills received.	Explore integrations with inventory providers.

Bill automation: comparison of apps

This matrix will help you compare bill automation apps that integrate with Xero so you can make the right choice for your hospitality clients.

	Xero	**Hubdoc**	**Dext Prepare**	**Datamolino**	**Lightyear**	**ApprovalMax**
Availability	Worldwide	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US	AU, CA, HK, IE, MY, NZ, SG, SA, UK, US	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US
Onboarding & support	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Phone support ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Phone support ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Phone support ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Partner training available	✔ Online help centre ✔ Phone support ✔ Email support ✔ Video tutorials ✔ Partner training available
Overview	Online accounting	Bill automation	Bill & expense automation	Bill automation	Bill automation	Approval management
More information	Find out more about Xero	Find out more about Hubdoc	Find out more about Dext Prepare	Find out more about Datamolino	Find out more about Lightyear	Find out more about ApprovalMax

		App features					
		Xero	**Hubdoc**	**Dext Prepare**	**Datamolino**	**Lightyear**	**ApprovalMax**
Submit	Send documents to Xero	✔	✔	✔	✔	✔	
	View side by side in Xero	✔	✔	✔	✔	✔	
	Send data directly to Xero	✔	✔	✔	✔	✔	
	Email submission to Xero	✔	✔	✔	✔	✔	
	Automatically submit documents to Xero		✔	✔	✔	✔	
	Source bills directly from common suppliers (fetch)		✔	✔			
	Source bills directly from bank statements	✔	✔	✔			
	Submit bills as PDFs	✔	✔	✔	✔	✔	
	Other files*	✔	✔	✔	✔	✔	
Extract	Line item extraction**	✔	✔	✔	✔	✔	
	Multi-line item extraction***	✔	✔	✔	✔	✔	
	Auto currency exchange			✔	✔	✔	
	Tax calculation on submitted bills	✔	✔	✔	✔	✔	
	Integrations with hardware-specific software	✔	✔			✔	
Practice management	Single approval workflow	✔	✔	✔	✔	✔	✔
	Client communication			✔ ^		✔	
	Xero HQ integration	✔	✔	✔	✔		
	Auto archive to app		✔	✔	✔	✔	

		App features					
		Xero	**Hubdoc**	**Dext Prepare**	**Datamolino**	**Lightyear**	**ApprovalMax**
Practice management	Auto archive to leading storage providers		✔	✔			
	Archive reporting	✔	✔	✔	✔	✔	✔
	Team efficiency/workload analysis			✔ ^			
Client management	Create and approve purchase orders	✔					✔
	Purchase order sync	✔	✔	✔			✔
	Mobile app	✔	✔	✔	✔	✔	✔
	Submit and upload bills on the move	✔	✔	✔	✔	✔	
	Submit and review purchase orders on the move						✔
	Submission reminders			✔			✔
	Bespoke approval processes (multi-step, multi-approval)					✔	✔
	Exception handling (delegation, forced approval)					✔	✔
	Fraud detection policy management					✔	✔
	Price checking					✔	✔
	Direct integration with specialist inventory providers					✔	

*   Other files include scanned paper documents, PDFs, and photos sent through email (including HTML receipts), web, or app

**   Basic line item extraction includes total, date and supplier

***   Advanced line item extraction includes additional information

^   Available on selected plans only

Automating employee expense data

Expense automation scenarios

Refer to these scenario comparisons to decide which type of tool is right for you and your client. And make sure that the tool you choose is consistent with your current approval workflows.

Scenario	Recommendation
Client requires the ability to submit expense receipts into Xero	Client may benefit from using a bill automation or expense management tool
Client requires an expense management tool for use by members of their firm	Client would benefit from a bespoke expense management app
Client requires a tool that enables management and reporting on expense policies	
Client requires a workflow for both submitting and approving expenses	
Client requires a dedicated or complex multi-level approval workflow system	Review the workflow management capabilities of each expense management tool. An approval tool such as ApprovalMax may also be of benefit.

Expense automation: comparison of apps

This matrix will help you compare expense automation apps that integrate with Xero so you can make the right choice.

	Xero Expenses	Expensify
Availability	Worldwide	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US
Onboarding and support	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available
Overview	Expense claims and management within Xero	Expense management
More information	Find out more about Xero Expenses	Find out more about Expensify

		App features	
		Xero Expenses	**Expensify**
Submit	Submit report via a scan (desktop)	✔	✔
	Submit report via a mobile app	✔	✔
	Allocate to billable time within Xero Projects	✔	
	Automatically create an expense via postal mail	✔	✔
	Auto-import from leading business travel service providers (eg, Uber)		✔
	Auto-import from leading business travel management providers		✔
	Automatically import expenses from company or personal cards		✔
	Extraction of vendor, date and currency	✔	✔
	Full line-item extraction*		✔
Manage	Create an account code within Xero	✔	✔
	Multi-user permissions	✔	✔
	Multi-currency conversion	✔	✔
	Expense approval directly within Xero	✔	✔
	Expense reporting	✔	✔
	Immediate job applicant reimbursement		✔
	Automatically archive an expense via a third-party storage solution		✔
	Create approval rules to remove unnecessary delays and admin		✔
	Integration with Xero HQ		✔

* Basic line-item extraction includes total, date, and supplier. Advanced line item extraction includes additional information.

Starward Distillery | Xero customer

Payroll and employee scheduling

Choosing an integrated payroll and employee scheduling tool

Use the client scenarios below, and the corresponding recommendations and benefits, to ensure your client gets the most value out of using apps.

It's essential to review these requirements alongside any new government regulations.

Client scenario 1

Client is struggling to get a clear view of employee availability.

Recommendation

Investigate using a Xero-integrated employee scheduling app with Xero Business Edition.

Benefits

- It's easy to understand where an employee's time is invested.
- It's simple to track staff availability and view rosters for all members of the team.

Client scenario 2

There's no easy way to communicate with staff or share company announcements and product information.

Recommendation

Investigate using a Xero-integrated HR app with Xero Business Edition. Refer to the payroll and HR comparison matrix to find the right app.

Benefits

- Key information can be shared and collaboration is encouraged by making staff communication easy and effective.
- Staff engagement improves.

Client scenario 3

Client has no clear view of staff performance, or no plans for training and development.

Recommendation

Investigate using a Xero-integrated HR app with Xero Business Edition. Refer to the payroll and HR comparison matrix to find the right app.

Benefits

- It's easy to manage employee performance and keep on top of training and development plans.

Payroll and employee scheduling: comparison of apps

This matrix will help you compare expense automation apps that integrate with Xero so you can make the right choice.

	Xero Payroll	Deputy	Tanda
Type and availability	Payroll processing NZ, AU, UK	HR & employee scheduling Global, AU, CA, HK, IE, MY, NZ, PH, SG, SA, UK, US	HR & employee scheduling NZ, AU, US, UK, SA, CA
Onboarding and support	✔ Online help centre ✔ Email support ✔ Partner training available	✔ Online help centre ✔ Email support ✔ Video tutorials ✔ Partner training available	✔ Online help centre ✔ Online chat ✔ Email support ✔ Video tutorials ✔ Partner training available
Overview	Easy-to-use payroll software and online accounting where all business information can be organised.	Full employee scheduling and human resource management solutions to fit the needs of hospitality businesses. Includes employee development tools.	Workforce management system including day of operations. Suitable for businesses over five employees.
More information	Find out more about Xero Payroll	Find out more about Deputy	Find out more about Tanda

	App features		
	Xero Payroll	**Deputy**	**Tanda**
Payroll & leave			
Pay employees direct from Xero	✔		
Customisable pay run	✔		
Automatic tax and leave calculation	✔		
Regional legislative compliance, including document upload	✔		
Multi-employee approval	✔		
Collaborate with payroll admin/consultant	✔		
Employee app for viewing and submitting information	✔		
Auto-sync with Xero Payroll (in regions where it's available)	N/A	✔	✔
Schedule			
Integration with leading POS systems		✔	✔
Onsite clock-in		✔	✔
Timesheet management		✔	✔
Availability dashboard		✔	✔
Connect & educate			
Recruitment and onboarding workflow			✔
SMS and email communication		✔	✔
Internal social media platform		✔*	✔
Single app to use for all HR and communication		✔	✔
Document management (including e-sign)			✔
Nurture			
Employee performance plans		✔*	
Employee training plans		✔*	

Choice of profiled apps based on Xero App Store data on the volume of connections to Xero, supported by the strength and number of community reviews.
*Available at additional charge

Sales performance

Point of sale

Choosing a point-of-sale app

Use the client scenarios below and the corresponding recommendations and benefits to ensure your client gets the most value out of using a point-of-sale app.

Client scenario 1

The clients' business is in the early stages, either without a POS system or is using a solution that was chosen to meet short-term needs.

Or

POS system is outdated and/or doesn't integrate with other technologies, meaning manual data input is required.

Recommendation

Explain the benefits of moving to a Xero integrated POS system to your client. Ensure it integrates with your client's payment system, and their ecommerce system too if they have one.

A POS system may be all your client needs to manage inventory, but it's worth considering whether a specialist inventory app would be worth integrating with.

Benefits

• Increased data accuracy

• Decreased manual data entry and admin time

• Greater visibility into all aspects of the business

Client scenario 2

Client has a limited selection of payment options, or their payment provider is expensive.

Recommendation

Changing or consolidating a client's payment services to a single supplier may improve their profit margins, so shop around to get the best rate.

Make sure your client is offering the payment methods that are right for their customers, including emerging digital technologies like mobile payments, and global payment services like Apple Pay.

Benefits

• Reduced payment provider fees

• Greater customer satisfaction and selling opportunities

Client scenario 3

Client operates multiple stores and/or plans to expand.

Recommendation

Ensure the POS system allows for their planned growth including allowing additional stores in multiple locations.

Benefits

- Easily add stores to the client's POS system as they grow
- Scale efficiently
- Greater visibility into all inventory and staff performance across multiple stores

Client scenario 4

Client lacks information about their customer base, including which customers are the most valuable to the business.

Recommendation

Select a POS system that includes customer relationship management (CRM) functionality, and can be used to understand who the most profitable customers are. If sophisticated customer relationship management functionality is required, consider integrating with a CRM-specific Xero-integrated app.

Benefits

- View customer insights and their transaction history in one place
- Categorise customers to highlight those who are most valuable to the business, to reveal where marketing efforts should be focused

Client scenario 5

Client lacks visibility into their sales performance.

Recommendation

Ensure the POS system integrates with Xero Business Edition so you can view sales data inside the Xero dashboard, eg, daily and weekly sales, COGS and inventory.

Benefits

- Understand what's driving performance and the areas where it can be improved

Client scenario 6

Client POS lacks functionality that's needed for the type of hospitality business that they run or that they wish to run in the future.

Recommendation

Review the comparison of connected apps available (to include those that are focused on your clients business type).

Benefits

- Support for your client's workflow, to meet their current and future goals

POS: comparison of apps

Solutions designed to meet the needs of different types of hospitality businesses are highlighted in this comparison of point-of-sale apps.

	iKentoo	Square	Preno
	iKentoo	**Square Register**	**Preno**
Hospitality business type	Long and short service	Long service Short service Recreation & tourism	Accommodation
App type	POS	POS	POS
Onboarding and support	✔ Online help centre ✔ Phone support ✔ Email support	✔ Online help centre ✔ Phone support ✔ Email support	✔ Phone support ✔ Email support
Overview	iKentoo is an iPad POS system for hospitality businesses. Automatically sync all purchases and transactions to Xero.	Run your business with a point-of-sale app supported by CRM and digital marketing tools.	Automate invoicing and payments to Xero.
Compatible hardware	iOS, and web	iOS, Android and web	Web
More information	Find out more about iKentoo	Find out more about Square Register	Find out more about Preno

		App features		
		iKentoo	**Square**	**Preno**
Payment options	Credit	✔	✔	✔
	Debit	✔	✔	✔
	NFC	✔	✔	✔
	Apple Pay	✔	✔	✔
	PayPal		✔	✔
	Split bill	✔		
	Deposits (part up-front payment)			✔
Customer relationship management	Customer database	✔	✔	✔
	Loyalty and gift card	✔		
Xero data flow	Sales feed: income displays in Xero	✔		✔
	Invoice feed: refund amounts display in Xero	✔	✔	✔
	Invoice feed: payment fee amounts display in Xero		✔	✔
	Invoice feed: tips display in Xero			
	Invoice feed: accounts payable display in Xero	✔		
	Purchase order feed: purchase orders display in Xero			
	Expense feed: cash variations (overs and unders)			

		App features		
		iKentoo	**Square**	**Preno**
Xero data flow	Contact feed: customers display in Xero			
	Contact feed: suppliers display in Xero			
	Payroll feed: timesheets fed to Xero Payroll			
Reporting	Category reporting		✔	✔
	Staff reporting		✔	✔
	Booking workflow (table)	✔	✔	
	Booking workflow (room)			✔
	Agent commissions (sync to Xero)			✔
	Direct ecommerce marketplace integrations			✔
	Marketing tool integration		✔	
	Employee scheduling tool integration		✔	✔
	Booking system integration	✔		

eCommerce and booking tools

eCommerce for hospitality

Use the client scenarios below and the corresponding recommendations and benefits to ensure your client gets the most value out of using Xero integrated ecommerce apps.

Client scenario 1

Client has no website, a website with limited functionality, and/or they are unable to measure the success of their online presence.

Recommendation

Many ecommerce apps include everything that's needed to get started – designing, building and hosting a website plus reporting and analytics. If clients already have a website, they'll need an app that includes a website migration tool, eg, Shopify or BigCommerce.

Benefits

- Quick, easy, cost-effective way to create an online store without engaging someone to build it

- Integration with Xero so data is accurate and synced between systems

- Reporting dashboards and analytics let you see how the business is performing

Client scenario 2

Client requires specific functionality to meet the needs of their type of hospitality business.

Recommendation

When reviewing ecommerce apps, ensure that they include specific features or add-ons such as online booking.

Benefits

- Increased revenue through improved online order conversion

- Improved efficiency through reduced manual work (eg, fewer phone bookings)

Client scenario 3

Client is spending too much time manually entering line item information from payments made via ecommerce marketplaces such as Uber Eats.

Recommendation

Review client needs against those in the marketplace tips listed in eCommerce platforms for hospitality on .

Benefits

• Improved cash flow management

• Reduced time spent manually inputting and reconciling transactions

• Grow revenue by gaining insights from tools on marketplace dashboards

Client scenario 4

Client requires online reservation or booking facilities.

Recommendation

Review whether the client requires the booking functionality on an existing website or added to social media.

Benefits

• Reach new customers online

• Take deposit payment from online bookings

eCommerce: comparison of apps

Solutions available for use in hospitality businesses are highlighted in this comparison of ecommerce apps.

	Shopify	BigCommerce	Bookeo
Type	eCommerce	eCommerce	Online booking
Availability	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US	US, CA, AU, NZ, UK, EMEA	Global, AU, CA, HK, ID, IE, MY, NZ, PH, SG, SA, UK, US
More information	Find out more about Shopify	Find out more about BigCommerce	Find out more about Bookeo

	App features		
	Shopify	**BigCommerce**	**Bookeo**
Website builder (including design)	✔	✔	
Website migration	✔	✔	
SEO tools	✔	✔	
Customer database integration: POS	✔	✔	✔
Inventory features	✔	✔	
Leading payment providers	✔	✔	✔
Booking system available as an add-on	✔	✔	
Online sales performance reporting	✔	✔	
Sales feed: income displays in Xero	✔	✔	✔
Invoice feed: refund amounts display in Xero			✔
Invoice feed: payment fee amounts display in Xero			✔

eCommerce marketplace platforms for hospitality

Online marketplaces and ecommerce platforms are amongst the biggest disruptors for food, accommodation and tourism businesses.

They have brought about changes in the behaviour of consumers and, as marketplaces meet maturity, this represents a significant opportunity for revenue growth. An example within food service is Uber Eats, where businesses can now earn up to US$6,400 per year in additional revenue. (This figure from Uber Eats is based on the calculated global average for the top 25% of active restaurants in the month of August 2016.)

Many of the workflows associated with ecommerce platforms have an indirect impact on Xero and integrated apps. The following scenarios and recommendations are intended to support efficient workflows and help with advisory conversations about using such online marketplaces and platforms.

Client scenario 1

Client does not currently participate in an online marketplace.

Recommendation

Assess whether using a marketplace would fit within their strategy. It may require a level of business planning. Common questions to address are:

- Do they have the capacity to meet incremental demand?
- Are they aware of the revenue model (including commission payable) and what profit levels they would achieve?
- Do they have the technology to support the marketplace workflow (see the technology scenarios below)

Benefits
- Opportunity for growth
- Efficiency in direct marketing spend (commission based)

Client scenario 2

Client has launched on a marketplace and wishes to reconcile payments with Xero.

Recommendation

Assess the payment workflow of the marketplace. The key areas to assess are:

- How often are payments made by the platform?
- Are payments made in the home currency or in multiple currencies?
- Do payments span multiple tax regions?

As with other online payments, such as the use of a gateway, it's recommended that a clearing account is set up for each marketplace used.

Benefits
- Workflow efficiency
- Profitability

Client scenario 3

Client wishes to accurately account for commission and local tax.

Recommendation

As it is common for marketplaces to deduct commission and local tax at source, it's often necessary to create a manual journal to effectively account for them. An overview of the deductions is often provided in the form of a .csv file.

Benefits

- Workflow efficiency
- Profitability

Client scenario 4

Client wishes to account for marketplace transactions within their core POS system.

Recommendation

Depending on the marketplace used, there may be a direct integration available with the POS system that the client uses (see the overview in the comparison of hospitality POS systems).

If a direct integration isn't available, there are several third-party solutions that can serve as an indirect aggregator. It's best to speak with the POS provider to review the workflow and provider.

Benefits

- Workflow efficiency
- Profitability

Client scenario 5

Client has questions about the value of the marketplace used for their business.

Recommendation

Many marketplaces provide great tools to review transactions, customers and the services provided. They often include access to historic data, which can support advisory discussions.

Benefits

- Workflow efficiency
- Profitability

CRM and
digital marketing

Customer relationship management (CRM)

Managing and enhancing customer relationships effectively is critical for the prosperity of hospitality businesses. This spans both day-to-day management and assessing and nurturing existing relationships.

Depending on the type of hospitality business, it is common to have hundreds or even thousands of client records. So the first step to effective management of customer relationships is understanding the system of record for customers and suppliers.

Business type	Scenario	Recommendation	Benefits
Food business: short or long-service	Client has a POS system in place.	Although some client data will exist within Xero, it's likely that the most up-to-date client records will be stored within the POS system. It is worth reviewing the CRM features within the POS itself, including integrations to other CRM systems.	• Consistency in client data • Access information for key customers and accounts • Identify the most profitable clients • Build the foundations for digital marketing
	Client has a separate POS and ecommerce system.	Creating a single point of reference for customer data is key, so having separate POS and ecommerce platforms can be a challenge. Explore integrations between the POS and ecommerce system, including the ability to manually export information.	

Business type	Scenario	Recommendation	Benefits
Food business: catering	Client creates quotes and invoices using Xero.	If the client is currently using Xero Business Edition, it's likely that they have a significant amount of client and/or supplier data. It is possible to create groupings of this information which can be used to create segmented contact lists.	• Consistency in client data • Access information for key customers and accounts • Identify the most profitable clients • Build the foundations for digital marketing
Tourism			
Accommodation			
All	Client is looking to manage communication to suppliers paid through Xero.		

It's often a challenge determining whether a client should use separate POS and ecommerce platforms but create a single point of reference. Explore integrations between the POS and ecommerce system, including the ability to manually export information.

Digital marketing

While online marketplaces have become a great way to reach and serve new customers, using other digital marketing activities is an effective way for hospitality businesses to reach their customer base.

The two key considerations for selecting a tool to support digital marketing efforts are:

- the system of record your client uses for their customer base (the one place where customer data is maintained)
- what they wish to achieve with their digital marketing

Business type	Scenario	Recommendation	Benefits
Food business: short or long-service	Client has a POS system in place.	If your client is comfortable with the use of the POS system as a reliable system of record for their customer base, explore digital marketing features included within the POS or other integrations with digital marketing apps.	• Accurate and up-to-date view of data within the digital marketing tool • Ability for the client to target and reach their most valuable customers
	Client has a separate POS and ecommerce system.	If your client has selected the use of a CRM system to aggregate POS and ecommerce data, then commonly include digital marketing functions. If your client doesn't have an aggregated view of their POS and ecommerce data, then explore digital marketing apps that are able to extract data from both systems.	

Business type	Scenario	Recommendation	Benefits
Food business: catering **Tourism** **Accommodation**	Client creates quotes and invoices using Xero.	Once a client list is created in Xero, it's possible to export them as .csv files which can then be used in a variety of digital marketing tools. For subscribers to Xero Business Edition's premium plan, a direct feed to Mailchimp is available via the Xero App Store. Mailchimp then allows clients to undertake advanced segmentation and digital marketing activities to suit their needs.	• Accurate and up-to-date view of data within the digital marketing tool • Ability for the client to target and reach their most valuable customers
All	Client is looking to manage communication to suppliers paid through Xero.		Accurate and up-to-date view of data within the digital marketing tool

CRM and digital marketing: comparison of apps

Solutions designed to meet the needs of different types of hospitality businesses are highlighted in this comparison of point-of-sale apps.

	Xero	Square	insightly
	Xero Business Edition	**Square Register**	**Insightly**
App type	Online accounting	POS	CRM
Hospitality business type	Long and short service Catering Accommodation Recreation & tourism	Long service Short service	Recreation & tourism
App availability	Worldwide	NZ, AU, UK, US, CA	NZ, AU, UK, US
Onboarding and support	✔ Online help centre ✔ Email support ✔ Phone support	✔ Online help centre ✔ Email support ✔ Phone support	✔ Online help centre ✔ Email support ✔ Phone support
Overview	View a customer's sales history entered into Xero as part of the sales process (quotes and invoices), and email exchanges.	Use Square's digital marketing features to send automated email campaigns, specialised offers, newsletters and track campaigns.	Customer relationship management solution (CRM) to use for managing deep customer relationships.
More information	Find out more about Xero	Find out more about Square Register	Find out more about Insightly

		App features		
		Xero Business Edition	Square Register	Insightly
Customer data	Record customer contact information	✔	✔	✔
	Record supplier contact information	✔		
	Import lists from multiple systems	✔		
	Create bespoke contact lists	✔	✔	✔
	View email conversation history by contact	✔		
	Add notes to customer files	✔		
	Integrate with ecommerce tools	✔	✔	✔
	Build profiles of customers based on additional information (spend, product type etc)	✔		
Xero data feed	Contact feed: contacts extracted from Xero			✔
	Contact feed: auto update of Xero contact information			✔
	Invoice feed: transaction history from Xero			✔
	Client financials feed: life time value from Xero (per contact)			✔
	Client financials feed: outstanding bills/invoices from Xero (per contact)			✔
Digital marketing	Post directly to social media		✔	
	Targeted social media advertising campaigns			
	Direct mail campaigns			

		App features		
		Xero Business Edition	**Square Register**	**Insightly**
Digital marketing	Segment customers using factors that matter to a clients business			
	Build automated marketing campaigns, split by customer segment			
	Integrate customer offers with POS		✔	
	Automated receipt emails		✔	
	Customer analytics dashboard			✔
	Digital marketing analytics dashboard		✔	

Additional resources

for mastering app advisory

Additional resources

This playbook focuses on improving cash flow performance for businesses across all industries. We also have playbooks and learning resources available to deepen your app advisory knowledge generally, as well as for specific industries.

Industry app playbook series

View the entire app playbook series.

App advisory courses in Xero U

Check out the app advisory training courses.

Beautiful business