

VERTICAL ACUMEN

A VERTUS GROUP JOURNAL

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group

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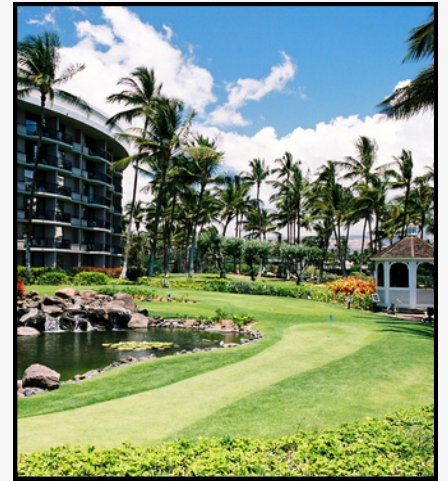
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NEWS & UPDATES

Welcome to Vertical Acumen, A Vertus Group Journal

TEAGAN BOYLE Editor & Marketing Manager, *Vertus Group*

Welcome to the inaugural issue of Vertical Acumen, a quarterly journal by Vertus Group.

Vertus Group is a vertical market software acquirer and a portfolio of Jonas Software, an operating group of Constellation Software Inc (CSI). When I joined Vertus Group just over 6-months ago, I was tasked with growing our portfolio's new brand from scratch. Although "scratch" perhaps is not quite accurate since our portfolio has enjoyed a rich 20-year history as Jonas Software's Club & Hospitality Portfolio, amassing over 20 acquisitions and serving thousands of customers across a hundred countries. But by December 2023, we were no longer solely active in the Club & Hospitality verticals, acquiring businesses in areas such as FinTech and Developer Tools, and the Jonas Club & Hospitality name no longer fit our broader scope. So, like many portfolios before us in the large CSI ecosystem, it was our turn to decentralize and develop our own brand, Vertus Group.

The concept of a software acquirer "brand" is not your typical idea of a brand. After all, the Vertus Group Portfolio does not sell a product to consumers or businesses, it instead offers a permanent home for businesses to live and thrive. This buy-and-hold model is common across our sister CSI portfolios, which begs the question "What makes the Vertus Group portfolio and brand special?" Simply put, I believe it is our incredible people and the companies within our portfolio and I wanted to create a space where both could be showcased regularly.

Enter Vertical Acumen, a quarterly amalgamation of all the best content that has been released by our portfolio and the companies within it, with a distinct focus on our people and the knowledge gained from operating businesses in our now 5 different verticals. This journal is split into 3 specific sections:

"News & Updates" will provide exactly what it says. You will find Vertus Group press releases, updates on acquisitions, as well as some occasional background into our portfolio's history.

"Inside Vertus Group" highlights our top M&A team articles each quarter, covering topics ranging from M&A insights and best practices to employee perspectives and leadership insights through engaging case studies.

Lastly, "Around the Portfolio" is dedicated to our portfolio companies' standout articles. While our portfolio still skews heavily towards the Club & Hospitality verticals, this section embraces a broad spectrum of topics beyond industry specifics.

Thank you for joining us on this journey. I hope you enjoy our very first issue of Vertical Acumen and learn something new as well. ●

-Teagan Boyle

Jonas Software launches Vertus Group



Markham, Ontario, Canada (Dec 5, 2023) - Jonas Software is excited to announce the official launch of Vertus Group, marking a transformative rebranding of the Jonas Club & Hospitality portfolio. Jim Fedigan, previously CEO of Jonas Club & Hospitality, will serve Vertus as Group CEO.

Originally established in 2003, the portfolio has diligently cultivated expertise in club & hospitality software, acquiring 22 independently managed companies, expanding to 750+ employees, and establishing a vast international customer base. Today, the portfolio has diversified into new verticals, dispute management, developer tools, and media solutions - a strategic objective that Vertus Group will continue to actively pursue.

“Our identity signifies our group’s evolution and ambition to venture into new verticals,” said Fedigan on the Vertus Group rebranding. “We are now positioned to acquire outstanding software companies in a wide array of verticals while upholding the same dedication to people-centricity and excellence in business

stewardship that defined our legacy in the club & hospitality industries.”

As a division of Jonas Software, Vertus Group will uphold the same buy-and-hold forever acquisition philosophy.

On this philosophy, Fedigan continues, “We don’t just think of ourselves as acquirers; we’re more like partners. Joining Vertus Group brings growth opportunities and a wealth of expertise to tap into, but what matters most to us is holding onto that entrepreneurial spirit that business owners have created. Our group started as an acquisition ourselves, so our growth story is a great example of the development possible for businesses and employees within the Jonas Software and Vertus Group ecosystems.” ●

Vertus Group announces acquisition of Tangerine Global



Simi Valley, California, USA (Jan 10, 2024) - Vertus Group is pleased to announce the acquisition of Tangerine Global, a leading provider in the Media Solutions and Network Services Provider industries. Since its first HD IPTV installation in 2005, Tangerine Global has been committed to creating extraordinary digital products while providing exceptional service and reliability to both its commercial and residential customers.

"We are thrilled to welcome Tangerine Global to Vertus," said Jim Fedigan, Group CEO of Vertus Group. "Their impressive product offerings and strong foothold in the hospitality industry make for an exceptional addition to our portfolio. I am excited to see how Tangerine continues to grow into the future."

Greg Pasetta, Tangerine Global's President and CEO states, "We are truly excited to be part of Vertus Group, which aligns with the values, quality commitment, and vision that has been the foundation of Tangerine Global for the past 18 years. We look forward to our continual innovation for our customers and carrying on our journey together as part of the Vertus Group family."

The acquisition of Tangerine signifies two important milestones for Vertus Group. It introduces Vertus Group's official fifth vertical, Media Solutions, aligning with the portfolio's goal of expanding to new sectors. This acquisition is also the first by Vertus Group since the portfolio's rebranding in December 2023, emphasizing the company's commitment to growth and the addition of valuable vertical market software

companies like Tangerine Global.

About Tangerine Global

Tangerine Global is a Media Solutions and Network Services Provider for both commercial and residential markets. Using advanced technology, the company ensures a personalized and reliable viewing experience across various platforms and devices.

A pioneer in HD IPTV, Tangerine Global installed its first system in Asia in 2005 and is currently providing services across North America. They offer a variety of intelligent products including the cloud-based IPTV Mediaroom and MediaFirst platforms, enabling the creation, management, and delivery of next-gen OTT (Over-the-top media service) services on multiple devices such as iOS, Android, Apple TV, Android TV, Amazon Fire Sticks, and more. ●

For more information on their intuitive products, visit www.tangerineglobal.com



The History of Vertus Group

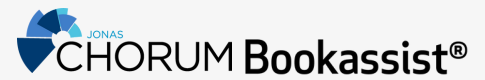
While the Vertus Group name may be new, the portfolio has a rich history of acquiring and propelling vertical market software companies to new heights. Since its beginnings as Jonas Software’s Club & Hospitality portfolio in 2003, Vertus Group has grown to over 20 companies across 5 verticals.



In June 2003, Constellation Software acquired Gary Jonas Computing Ltd., a rich suite of products for private clubs. Jonas Software would later become the parent company of the Vertus Group Portfolio



2010 saw another addition to Vertus Group’s growing portfolio of club software. With 7 club software companies and well-established expertise in the industry, it was time for Vertus Group to explore a new vertical...



After officially stepping into the hospitality vertical, Vertus Group steadily grew the portfolio by adding another 2 hospitality companies: Jonas Chorum and Bookassist

2003 2004 2005 2010 2015 2016 2017

Over the next 2 years, Vertus group quickly expanded in the club vertical by adding 5 more companies to the portfolio. This grew Vertus Group’s geographic footprint as well, expanding operations to 2 new continents Africa & Europe

WebCreative UK clubMINDER



The acquisition of Springer-Miller Systems and SpaSoft in 2015 marked the first major foray into a new vertical for Vertus Group: hospitality. But this didn’t mean Vertus Group was leaving the club vertical behind. The portfolio also welcomed 2 more great fits, MembersFirst and MetricsFirst to the family of club companies.

MetricsFirst MembersFirst



By late 2023, Vertus Group had been expanding their reach outside Club & Hospitality verticals. On December 5th, 2023, the portfolio officially rebranded to Vertus Group. This new identity positions the portfolio to excel in a wide array of vertical markets while still upholding the same dedication to people-centricity that has defined its legacy up to this point.



The following years saw more steady growth in the hospitality vertical with the acquisition of Leonardo and Achiga, while Club Caddie made for another strong addition to the Club family. By the end of 2020, Vertus Group consisted of 10 companies in the Club vertical and 7 companies in Hospitality.



Vertus Group saw the addition of 2 more fantastic hospitality software companies in Vizergy and Data Connect. By the end of 2022, Vertus group consisted of 20 companies, a significant milestone for the portfolio.



In 2024, our group of Hospitality companies, *Jonas Hospitality* launched *Unify* aiming to solve the industry's customer data problem by creating a master record accessible across a hotel's entire tech stack.

2018 2019 2020 2021 2022 2023 2024

In 2021, Vertus Group broadened their scope once again into a new vertical, dispute management, with the acquisition of Lean Industries.



2023 marked an extremely important year for Vertus Group as it expanded to 2 brand new verticals: Developer Tools and Media Solutions. The Developer Tools expansion came with the acquisition of PVX Plus, while Vertus Group's foray into Media Solutions came with the acquisition of Tangerine Global.



Our Ecosystem: Constellation, Jonas, and Vertus Group



Parent Organization: Constellation Software Inc.

Founded in 1995 in Toronto, Canada, Constellation Software (Constellation) is an international provider of market-leading software and services to a number of industries. Publicly traded on the Toronto Stock Exchange with the ticker CSU, Constellation typically acquired 100% ownership in targets and is a “buy-and-hold” acquirer with a decentralized structure. Constellation has 6 operating groups which currently serve customers in over 100 different markets worldwide.



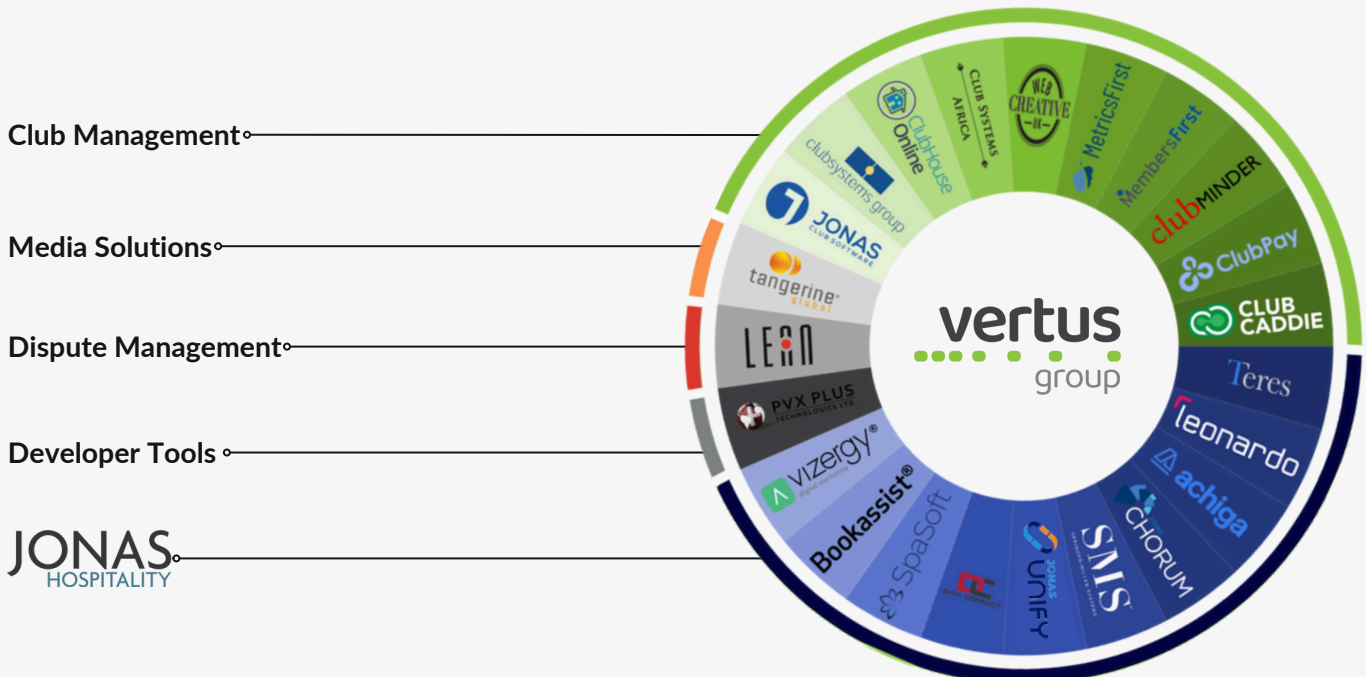
Operating Group: Jonas Software

1 of 6 Constellation operating groups, Jonas Software began with the acquisition of Gary Jonas Computing Ltd. in 2003. Today, Jonas Software owns 150+ software companies across 40+ vertical markets and 6 portfolios.



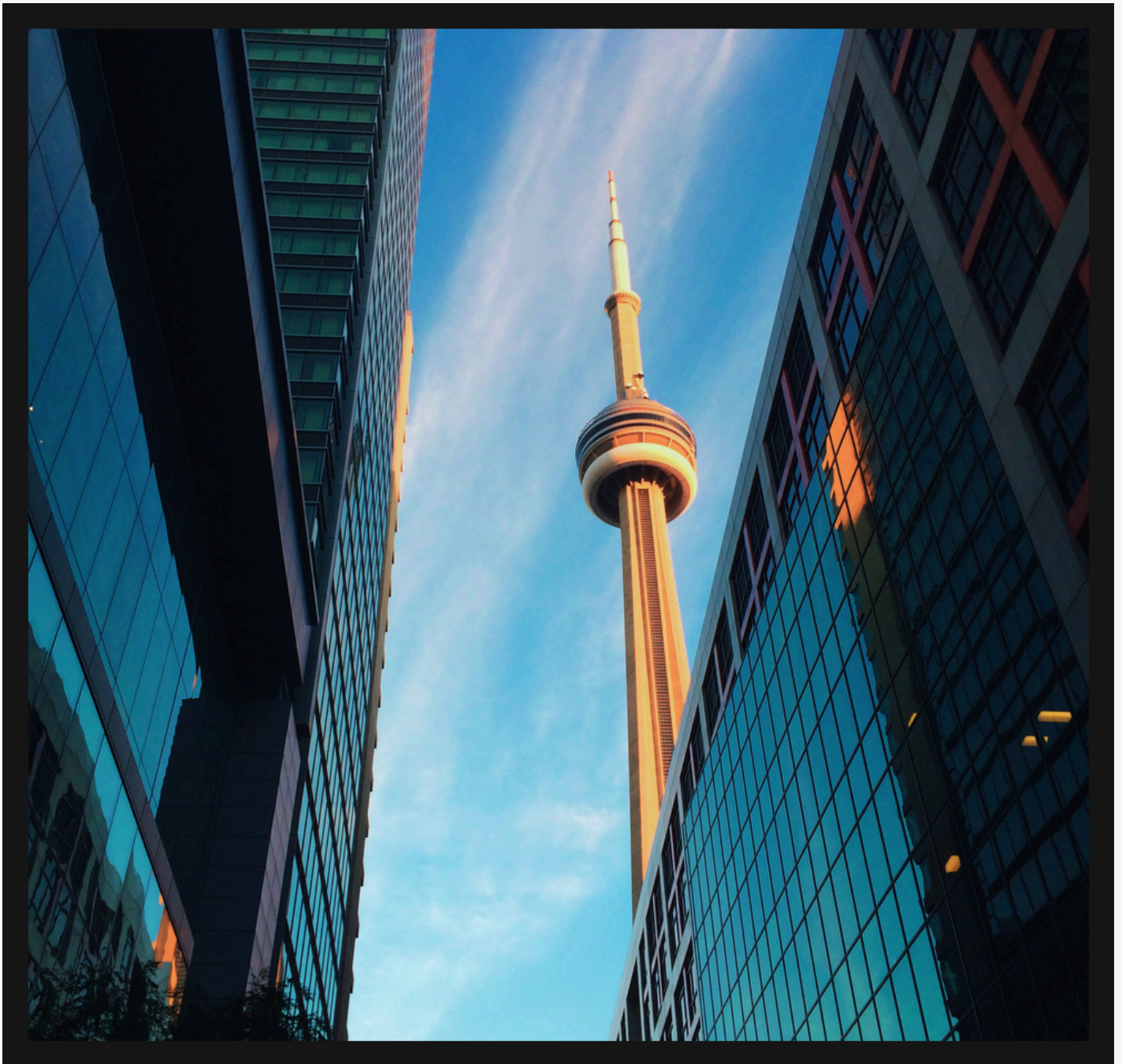
Portfolio: Vertus Group

1 of 6 Jonas Software portfolios comprised of 23 businesses across 5 verticals. Our portfolio employs over 800 people across these businesses and serves customers in over 100 countries.



INSIDE VERTUS GROUP

This section highlights our top articles from our Vertus Group team, covering topics ranging from M&A insights and best practices to employee journeys, leadership insights, and engaging case studies. In this issue we feature two case studies from founders who had their businesses acquired by Vertus Group and two employee journey stories from our M&A team.



How Vertus Group Helped Club Caddie Grow

JASON PEARSALL Founder & Chief Executive Officer, *Club Caddie*



Before starting Club Caddie, Founder Jason Pearsall was a member of the NGCOA as the owner and managing partner of a golf course in Michigan. As the best products often are, Club Caddie was born out of a frustration Pearsall and his team kept encountering - there was no all-in-one cloud solution that could manage the complex needs of their semi-private golf course and banquet operation. After testing their innovative new product at their own club, Pearsall and his team brought Club Caddie to market in 2019 and immediately caught the eyes of both Golf Club Managers and Vertical Market Software Acquirers like Vertus Group.

February 2024 marked the 4th anniversary of Club Caddie's acquisition by Vertus Group. Over the past four years, Club Caddie has experienced remarkable growth and has established itself as a leading player in the Club Management Software industry. We sat down with Pearsall to learn more about the impact that joining Vertus Group has had on Club Caddie and how the company plans to leverage this relationship into the future.

Why did you decide to sell Club Caddie to Vertus Group?

At Club Caddie, we're a blue-collar, "get it done" type of team which takes pride in sacrificing to meet the needs of our clients. We could tell that the Vertus M&A team really appreciated the long-term view we had concerning building relationships with our customers and most importantly, the buy-and-hold forever assurance.

We had seen our competitors get acquired by private equity firms. We had seen the forced layoffs, the reduced R&D spending, and them getting squeezed. Vertus Group had a long-term plan to continue to build our teams, develop our product, and accelerate our opportunity to become the market leader in the Club Management Software space.

How has Club Caddie evolved since its acquisition?

Our growth has been incredible. For 4 consecutive years, we've doubled our client base, so we've grown from 50 to 400 clients. Our revenue is growing at an even more

significant clip. We have a real chance of doubling again this year, so make it a fifth year of growth. The Jonas Club Software (another company in Vertus Group's portfolio) brand gave us instant recognition and credibility and most importantly, we're spending our time working in our business instead of fundraising. It has given us more time to develop leaders on our team to build support and functional teams. We're in a much better position than we were pre-acquisition.

What has being a part of the Vertus Group ecosystem meant for your business?

Being a part of Vertus Group and having the Jonas Club Software brand association has given us credibility that as a startup you don't often have. When your customers know you're going to be around for the future, you have solid financial backing, you have a reputation for continuing to do the right thing for your customers, and you continue to build your product, those things translate into us closing more deals. This was just being part of the Vertus Group

brand.

There are also dozens of other vertical market software companies that are very similarly situated to Club Caddie and have gone through the same learnings that we have. Being able to talk to other companies and say, “How did this go for you?” or “How did you manage this?” has been really helpful. We feel like we’re not going into decisions blind, we’re going in informed by the prior learnings of our sister companies.

We’re excited because there are a lot of other tools within the portfolio like property management systems or other hospitality-related software that give us a competitive advantage to have as a sister company and that we can integrate directly with. It is also exciting because we have the opportunity to acquire any company that can help us grow. It is nice to have that M&A arm working behind you.

What has been the most meaningful impact that Vertus Group has had on the Club Caddie team?

What has helped the most is sharing best practices. We’ve learned how to run our business in a way that has a defined future as opposed to running it day-to-day. We’re looking towards what makes sense in two years, what makes in five years, what is the ROI on this investment or on this decision, things we just didn’t look at in the past.

I feel like we have become competent software leaders who know how to run a viable business in this space, whereas before we were just a bunch of people who

“ We’ve learned how to run our business in a way that has a defined future as opposed to running it day-to-day. ”

worked really hard and were passionate about doing the right thing for our customers.

We’ve kind of gotten a real-world MBA through the Vertus Group acquisition and we’re definitely in a much better position to lead our company than we were before the acquisition.

How has Vertus Group impacted your career?

I sleep at night now.

As a startup founder, you spend your time worrying about your team. They have families that depend on paychecks, and you have to raise capital and hit your targets. It’s extremely stressful. You also feel like you’re never really working in your business, you’re always just trying to survive another day.

Post-acquisition, it’s nice to know our team has stable paychecks coming. Even if we have a down quarter, you don’t need to cut people as long as they’re doing their jobs. It’s made it a lot easier to just run the company and not worry quite as much.

How do you see Club Caddie growing in the future?

We’ve become the fastest-growing golf course management company in the public and multi-course operator space and no doubt that is attributable to our integration with Vertus Group.

We’re expanding our total addressable market, adding additional verticals, adding additional clients, and looking at things like the private club space and golf simulator businesses. Another example is we have a dedicated Artificial Intelligence team comprised of a data scientist and two software developers who are spending every day working on building the future of AI and golf course management software.

We are able to not just focus on where we are going to be in six months, but being able to look at where we are going to be in five years. This gives us an exciting opportunity that we’re looking forward to taking advantage of.

It’s been a ride for us, but a really enjoyable one. We’re proud to be part of Vertus Group. ●

Learn more about Club Caddie: www.clubcaddie.com



A Leader's Perspective

ROB SELWAH Group Leader, Vertus Group



The “Group Leader” role at Vertus Group is the main point of contact between Vertus Group and the independently run businesses we own. Group Leaders act as a sort of business “coach” to our portfolio companies. They offer guidance, share best practices, and help give businesses fresh opportunities to grow.

Group Leader Rob Selwah joins us to discuss his career journey with Vertus Group, the relationships he has built with the businesses he oversees, and how being a part of Vertus Group can benefit vertical market software companies. As an experienced IT professional with over 20 years in Software Development, his insights help our portfolio businesses thrive.

Tell us about your background.

Prior to becoming a Group Leader at Vertus, I started my career as a software developer many moons ago. I built up over the years in Canada and then I moved to Vermont in 2007 where I joined *Springer-Miller Systems (SMS)* as Director of Software Development.

I moved up the ranks there to eventually become the President of SMS in 2016. I ran SMS for six years and then moved into the Group Leader role in September of 2022.

Give us a brief overview of the Group Leader function.

The day-to-day of being a Group Leader is never the same twice. It's a combination of coach, player-coach, and sometimes player to use that analogy.

The first company I began overseeing as a Group Leader was Lean Industries. At that time, I was very much a coach, teaching them the Vertus Group way and terminology. Our terminology, financial or otherwise, is a large portion of the integration and it's how we look and measure business performance. I also started learning more about their business and identifying where some challenges or opportunities are. It's about turning good companies into great companies.

What is challenging about your role?

One of the challenges for me when I got promoted to Group Leader was that I went from running SMS in the hospitality space to Lean Industries in the FinTech space. I had no experience with FinTech except for a little bit with credit card payments through my time at the hospitality industry. I thought I knew a fair amount when in reality I knew nothing about payment disputes.

So, I needed to sit down and learn about the business, the clients, the industry, and even their terminology. There were a lot of acronyms I had to learn within the first six months all while teaching them Vertus Group acronyms. And then I needed to figure out what dials to turn and how fast to turn them to improve the areas that needed improving and keep the strength areas as strengths.

What is rewarding about your role?

The biggest reward is seeing good companies become great and also seeing people grow and coming to understand that they are not unique in their challenges. One of the great things about the Vertus Group is if a company has a challenge, most likely another company within our portfolio has had and solved that challenge before. The opportunity is really getting them networked with other business unit leaders or department heads that have faced similar problems to help them overcome the challenges.

Describe your leadership style.

I am a detail-orientated guy and that bodes well at Vertus Group, Vertus Group loves a lot of details. I give people a heads up that not only is Vertus Group very focused on details and "what gets measured, gets managed," but I have the exact same mindset and have for years. I was a huge Salesforce advocate at Springer-Miller. I brought it in and created hundreds of dashboards and I could really start to see the pulse of the business, each department, or even the clients within a few clicks.

I am going to ask you a lot of questions. They are not judgmental; it's educating me to understand your business better. And I'm also going to challenge you and say, "Why? Why are you doing this?"

Not because what you are doing is wrong, but because it helps me understand why something was done a certain way. With my experience and exposure to the hundreds of companies within Jonas Software (Vertus Group's parent organization), I'll look at your business and say, "have you thought of this? What if we stopped doing this and started doing this?"

I'm a very approachable person and tend to be very interpersonal. I like to understand people not only from a business perspective but also from a personal perspective. I have way too many hobbies and I like to share that with many people at the organizations I work with. I like getting that relationship built with the employees and the leadership, so they understand that I'm a human being.

When I have challenges or failures, I share that with them. If I make a wrong decision I will say "hey that's my bad, I made the mistake." I find it makes me more approachable because it means people tend less to hide their mistakes out of fear of being judged. We're all human. We're not going to be perfect. Let's learn from our mistakes and learn how we move forward.

What benefits can joining Vertus Group give Business Owners?

First and foremost, with Vertus Group, you are not alone. As an independent operator, which is typically the majority of companies we acquire, they are on their own. If they have challenges, they often don't have someone to reach out to for help. At Vertus, we have internal education conferences where we bring hundreds of leaders together multiple times a year and talk through challenges, best practices, and how we've solved things. That is unique compared to an independent operator that's been on their own. They are good at working around their problems, but don't often solve the problem.

Independent businesses are also often focused on what's in front of them like making enough sales to make payroll. There's often not someone from the outside saying, "have you thought about this?" or "hey we've done this differently in our organization, maybe try this or go talk to these guys because they have the expertise."

What advice do you have for a company that is navigating a sale process?

We go through something called diligence. We ask for a lot of data. We are a data-driven company. Be prepared to spend a lot of time creating data that you either don't have or you have but it is in someone's head, because we will ask for a lot. That's a commonality that I've heard from every acquisition I've been involved with, and I've been involved with three from an integration side.

It helps the business. Even if Vertus Group doesn't acquire the business, it exposes things to them they really hadn't spent time looking at before because they are running the day-to-day operations. They hadn't taken a step back to look at all the data and measure it.

What excites you about Vertus Group's future?

I love the rebranding*. I speak on behalf of the Lean Industries organization because it was the first company outside the club & hospitality verticals. It kind of felt like "Club & Hospitality, and other," so the rebrand to Vertus Group was very exciting and well received. It's widened our net and opened the possibilities of growing different verticals. We're open to any business out there that makes sense for our portfolio. ●

“ At Vertus, we have internal education conferences where we bring hundreds of leaders together multiple times a year and talk through challenges... ”

Employee Spotlight

ALYSSA ISABELA CHIU M&A Associate, Vertus Group



Met Alyssa Isabela Chiu, one of the many talented M&A Associates we are fortunate to have on our team at Vertus Group. After joining Vertus over two years ago, Chiu has played a crucial role in developing Vertus Group's M&A pipeline and has established herself as a key lead generator. We spent some time with her to learn more about her experience with Vertus Group.

Walk us through your background prior to joining Vertus Group. How did you first hear about us and what interested you in joining the team?

Prior to Vertus Group, I was a Research Analyst for a financial data company and was working under the Private Equity and Venture Capital team. I was quite familiar with deal sourcing and M&A for PE and VCs, but I never heard of Vertus Group. When I came to Canada three years ago and was studying at George Brown, I started hearing about their parent company Constellation Software.

The M&A role really intrigued me. I wanted to pursue a career in M&A, but what interested me most was .

the scope and challenge associated with this role, and I love a challenge.

How has your experience been with Vertus Group so far?

I joined Vertus Group with a clear set of expectations to learn, be challenged, and develop my business development skills.

I'm happy to say that the last two years have been remarkable and have surpassed my expectations. I've learned so much from both my team and the many business leaders I talk to on a daily basis, I feel like the knowledge I've gained and lessons I've learned have helped me progress in both my professional and personal life.

Give us an overview of your role. What does your day-to-day look like?

A lot of my day is conducting industry and competitive research to identify vertical market software businesses that meet our organizations strategic criteria and specific metrics. I also am constantly engaging with target business owners, shareholders, and senior executives regarding to learn more about their business, their goals, and what they are looking for in a potential acquisition. Essentially, I am developing and growing my own deal pipeline with a specific focus on creating and maintaining long term relationships with businesses and business owners.

What is rewarding about your role? What opportunities has it given you?

It has been a fantastic learning opportunity and has given me the chance to broadened my knowledge of different industries within the vertical market software landscape. One day I could be learning more about hospitality software and the next could be cybersecurity, so I've really been able to listen to different perspectives in the software industry. There is something new to learn every day.

What is challenging about your role? How have you dealt with these challenges?

It goes along with what is also rewarding about the role. Each person and company I talk to is very different from the last. The challenge comes when you need to learn specific industry terminologies, geography challenges, or competitive landscapes. So doing proper in-depth research and diligence of each company I deal with is extremely important, but it does require a lot of time and effort.

What accomplishments are you most proud of during your time at Vertus Group?

I was recently awarded with Persistent Prodigy Award at the company for bringing in a ton of leads to Vertus Group and being

persistent in overcoming challenges and hurdles throughout the year. I've got that award sitting right at my desk, it serves as great motivation.

What do Vertus Group's principles, "Align, Acquire, Grow, Forever," mean to you, and how have they aligned with your own experience with the company?

Our long-term view provides stability for both employees and customers, especially in times of market turbulence. We want to be the right partner for businesses to grow forever with and this buy and hold approach means that Vertus Group maintains the vision and mission of the companies we acquire.

This is proven by my own experience with Vertus. They have supported my long-term goals, provided me with a global network of experts, and ultimately helped me grow as an M&A professional and as a person.

What excites you most about Vertus Group's future?

I am looking forward to more achievements and acquisitions in Vertus Group's future. There is such great potential here at Vertus Group, and I am confident we will continue to grow and reach that highest potential. I am excited to be a part of that journey. ●



Why Business Owners Sell to Us.

“Vertus Group’s philosophy of **preserving the culture** and legacy of the brand you built resonated with me. After meeting with the team, speaking with other potential investors, and checking references, I was even more convinced that moving to a platform like Vertus would be the right move for our company.”

- Joe Hyman, Founder of Vizergy Digital Marketing

	May	Jun	Jul	Aug	Sep	Oct	
4430.95	5065.94	6680.97	7183.4	7968.17	8691.9	87	
562.12	848.17	633.57	655.54	679.87	908.98	63	
41.23	786.58	1087.45	1073	1362.88	1275.98	143	
0.94	304.16	325.12	367.01	378.64	366.01	32	
24	723.39	959.57	106.7	244.79	1567.63	165	
189.42	187.97	19.55	311.14	358.5	378.18	370	
60.32	55.12	141.33	233.31	238.76	302.77	232	
7.23	6.34	3.25	8.39	1.7	5.82	1.1	
20.77	5.86	3.96	6.6	1	0	11.1	
3	1.5	4	4	0.5	11	8.4	
0	0.5	0	0.37	0	0	11.5	
2.7	53.32	2.36	0.3	1.21	2.47	2.24	
9964.9	9964.76	11069.5	13947.79	14851.18	17677.93	20234.06	
59.77	14016.76	12994.89	12891.21	16295.97	2100	2941.58	
3408.69	3445.31	3750.12	3250.15	2180.88	2100	1938.61	
8323.28	7228.76	5744.81	4654.11	6458.39	6983.6	6088.4	
561	511.83	575.95	847.94	1067.62	1163.01	2480.94	
390.96	396.62	515.79	558.06	645.75	549	589.68	
80.6	42.64	403.78	402.73	329.75	367.56	313.65	
0.99	8.58	17.86	35.36	74.88	85.28	56.68	
0.75	0	0.97	1.88	0.37	1.3	0.71	
122.03	191.17	394.34	710.8	794.06	738.58	738.58	
16.55	1.7	29.53	18.99	44.92	88.48	7.47	
1.26	0.62	1.72	35.5	238.59	205.46	28.85	
29446.17	28310.77	26419.05	32055.47	34470.64	30410.41	299.93	

“Knowing the company could continue to grow, and the **staff could thrive** with further opportunities were key parts of the decision to be acquired. The **buy-and-hold forever** approach convinced us, as business owners, that our vision for the company's future potential was shared.”

- Des O'Mahony, Founder & Chairman, Bookassist

“I've been through several acquisitions in my career, Vertus Group's was the easiest. **The communication and vision were clear** and concise. The buy and hold forever strategy along with a software for life philosophy really resonated with me and others on the sales and marketing team.”

- Jim Rowe, SVP Sales & Marketing, Jonas Hospitality

“Since being acquired in 2020, Vertus Group's **brand legitimacy, advice, and best practices** have helped us to double our revenue for three consecutive years. Our team is happier, and our business is in a much better place.”

- Jason Pearsall, Co-Founder & CEO, Club Caddie

“As I have progressed through the ranks at Vertus Group, I've been grateful for the **valuable support, opportunities and guidance** that have contributed to my growth. The company's role in my journey has been significant and meaningful.”

- Paul Gillard, President, Leonardo

Would Vertus Group be a good permanent home for your business?

The Acquisition Process

JOE HYMAN Founder, *Vizergy Digital Marketing*



For nearly 25 years, Vizergy Digital Marketing has served the hospitality industry with leading marketing technologies. We interview founder Joe Hyman to learn more about the experienced of being acquired by Vertus Group in 2022.

Pre-Acquisitions Phase

What was the initial spark for wanting to sell Vizergy?

We had been in business for 22 years and were thinking about the next transition for the company. As much as we would like to think we could work till we're 100, most of us can't. We were really looking for a transition plan where Vizergy's next phase of the company's life will grow from and how we continue to grow the business, build the brand, and provide an environment that is healthy for the staff to grow in their careers.

As I was getting older as the primary owner, we evaluated different ways of creating an exit and really chose a full acquisition as the best solution for this transition.

How did you discover Vertus Group?

We hired an M&A consultant, and they helped us frame the value proposition and then took that proposition and solicited quite a few parties. It's a highly competitive market, the M&A space, but they honed in on the parties that would be most interested in our solutions and that would fit into their portfolios the best. That's when I was first introduced to Vertus Group.

What stood out to you about Vertus Group?

We spoke to multiple suitors along the way, but I think it was the level of humility that was demonstrated by the team as we had discussions that stood out. They [Vertus] were really interested in learning about the business and how it could fit into their model.

We spoke with different types of folks. Some were bankers and they asked strictly banker type questions. Vertus was a nice mix of the financial, the business strategy

and understanding the nuances of the hospitality marketing software business. They really understood us and could speak our language.

Instantly, there were much higher quality questions that were being asked. We were talking more about the business, the strategy and the customers. That was a difference maker.

What started to tip the scales towards Vertus?

This is my legacy. I've worked 23 years to build this. You want to make sure that your staff and your team are cared for and there's opportunity for them in the future. And then you'd like to see your business live on into the future and have the best opportunity for growth and expansion.

For me, the Vertus Group really checked all of those boxes because of the buy and hold concept. They have benchmarks and metrics to help your business grow and prosper and then there's a place for your staff, all of your staff, to grow and expand in their careers.

Acquisitions Phase

What was the dialogue with Vertus Group like during the due diligence process?

There was a roadmap that was shared well in advance of our diligence calls and our meetings. We knew we were going to talk about technology, or people, or IP, or customers. Each of these milestones were shared in advance and gave us enough time to prepare to answer all the questions.

It wasn't last minute, you could tell that there was a well-defined process that Vertus was following. It made it a lot easier to produce the data through the diligence and understand what the next steps were.

The other thing I appreciated was we had a meeting, and then immediately scheduled another meeting. They didn't say "we'll get back to you in two weeks." We were moving along, having good open dialogue, and the team was great about sharing what the next steps would be along the way.

How did Vertus Group's "buy-and-hold" policy factor into your decision to sell?

As a business owner, you work for 20 years building a brand and relationships with your customers. There's something in your ego that says, "I want to see what I've worked so hard for live on."

You also want to take care of your staff who have worked hard to help you get where you are. The buy-and-hold policy met my needs to see my legacy continue to grow and

and the staff to have the opportunity to grow.

You know that Vertus Group is going to manage your business with integrity. One of the things I really appreciate about Vertus is the leadership will tell you that they're, focused on employee and customer satisfaction scores, and in fact they are. And then they're going to

“One of thing I really appreciate about Vertus is the leadership will tell you that they're focused on employee and customer satisfaction scores, and in fact they are.”

leverage all their knowledge and best practices across their businesses to help you make your brand stronger.

What pushed the deal across the finish line?

When you run a business and you are making the final decision to sell, it's about the money. At the end of the day you want to make sure you're getting a fair valuation. We felt that the valuation model was very fair.

You want to make sure that if there is an earn out component that the likelihood of that earn out is high. We felt with Vertus that it was very high because they share best

practices with other brands.

Some of the other suitors had deal structures where they wanted us to roll equity back into the business. They're going to pay us \$100, but ask us to put \$30 back into the business. My goal was to transition towards retirement and not to put a third of my sale price back into the business.

With Vertus, it met my personal goals of being able to retire yet still stay involved in the business because I love it. I'm passionate and Vertus has given me the opportunity to contribute at a high level and stay involved with the organization.

Post-Acquisition Phase

What were the biggest changes that occurred during the integration process?

The biggest change is the terminology and the language. The way that we looked at our business from a metrics, ratios, and financial reporting viewpoint needed to change. That was the biggest learning curve.

Vertus also begins to migrate your HR functions to the larger organization. As a small company of 76 people, we couldn't negotiate insurance rates. When we went to Vertus Group's insurance, our staff's insurance costs were cut in half for insuring their families. The access to benefits was bigger and the benefits were better.

Everything else has been small incremental changes to improve our ratios. In general, our staff talk to the same customers and do the

the same job. Nothing really changes at a business unit level, but there are little incremental changes along the way.

How have you experienced Vertus Group's "Culture of Sharing Best Practices?"

Within the first three months, I was in Toronto with 15 other business unit leaders talking about best practices, remote work, employee satisfaction scores, customers satisfaction scores, and challenges in the upcoming year. This was just

within 90 days of the acquisition.

After that, we were at a meeting with hundreds of companies again, all sharing best practices and building a network. For me, I now have a half a dozen of people that I'm comfortable calling and leveraging as a resource. I've been to three events with Vertus, met new people and have learned so much about other businesses.

We were also give a Group Leader, who is more like a business coach. He's supportive and understands the ins and outs of the finance systems, the politics of the company and who you should reach out to if you have a specific need. The Group Leader that we were given has done a fantastic job understanding the business, the needs of the people and helping us navigate the new grander organization.

What advice would you give to business owners that are considering selling their business?

Have a strong understanding of their numbers, their financial modeling and projections into the future. Understand their costs of goods sold and what that looks like. I don't think that business owner should go to market without having a deep understanding of their business, especially on the future earnings and what you need to do .

to grow your position in the market

Really doing your homework and understanding your business at a deep level will help you have the confidence that when you get to point A and point B through this process, you're confident in your decisions.

I think you need to have good representation to help you navigate. Most people are going to sell a business one time in their life, and you need to have the best resource that you can trust to help advocate for you and help you navigate the complexities of selling your business.

The third piece is to have buy-in from your senior team. For them to understand why you're doing this, and what it means for them in general and that you need their help in moving this forward. I think you get the best results when you do that. ●

Learn more about Vizergy Digital Marketing:
www.vizergy.com

vertus
group

7 Tips for Selling Your Business

From both sides of the table.

- ### 1) Be Honest About Your Motivations

"Business owners need to know why they want to sell and be honest with themselves. Whether it's for personal reasons, financial reasons, or other motivations, I think honesty with yourself about why you want to take this step is important. It is perfectly fine to say, "I'm getting older, I want to sell," or "I want to move on and do other things"

- Des O'Mahony, Founder of Bookassist
- ### 2) Secure Expert Representation

"You need good representation to help you navigate the process. Most people are going to sell a business only once in their life, and you need to have the best resource that you can trust to help advocate for you and help you navigate the complexities of selling your business."

- Joe Hyman, Founder of Vizergy
- ### 3) Know Your Numbers Inside Out

"We ask for a lot of data. We're a data driven portfolio. Be prepared to spend a lot of time creating data that you either don't have, or do have but it is sitting inside someone's head."

- Rob Selwah, Group Leader, Vertus Group
- ### 4) Gain Buy-In from Senior Team

"You need your senior team to understand why you're doing this, what it means for them, and that you need their help in moving it forward.

The last thing you need is to make a big announcement and not have your senior people be part of the decision."

- Joe Hyman, Founder of Vizergy
- ### 5) Clarify Expectations and Vision

"It's very important for the vendor to know what they want and what their expectations are. What the key elements for them? Is it about price? Is it about the future? Is it about protecting the legacy of their business?

We can only align with their post acquisition vision if they are clear and honest about it."

- Joe Hyman, Founder of Vizergy

6) Conduct Extensive Conversations

"Fit is extremely important from both our perspective and the seller's perspective. It's crucial to talk to a bunch of different acquirers and to find the right one.

Of course, we would love every company we speak with to join the Vertus family, but we truly want them to make the decision that's best for them"

- Zach Plener, Director of M&A, Vertus Group

7) Take Your Time

"We feel it is important for businesses to take their time. It's easy to move fast and jump into the process when things are exciting and new, but it's important to be patient and gather as much information as possible so you have a good understanding of the process.

In the end, taking your time actually makes the process move more efficiently."

- Zach Plener, Director of M&A, Vertus Group

AROUND THE PORTFOLIO

Dedicated to showcasing the best articles from around the Vertus Group portfolio of companies. While our portfolio still skews heavily towards the Club & Hospitality verticals, this section embraces a broad spectrum of topics.



FEATURING ARTICLES BY:



Jonas Hospitality is proud to introduce its newest brand, Jonas Unify™

Article by Jonas Hospitality

Vertical: Hospitality



Jonas Hospitality is a family of technology brands serving the hospitality industry that utilizes cutting-edge technology solutions to meet critical business needs. Jonas Unify solves the industry's customer data problem by creating a master record accessible across your entire tech stack, removing silos from disparate systems while ensuring data accuracy and security.

With Jonas Unify, property and guest data will sync throughout your tech stack, keeping your staff connected and your guests satisfied. Jonas Unify is built on Jonas ARC, a proven, open integration platform that seamlessly connects all Jonas Hospitality products and third-party systems.

Jonas Unify combines the benefits of best-of-breed solutions into an all-in-one solution by providing a true 360° view of your guests by unifying your customer data across systems. It will centralize your guest's data and expand your operations through its Customer

Data Platform (CDP) and connected apps.

Unify CDP™ is the master record for your customer data and connects to both Jonas Hospitality and third-party systems through our industry-leading API: Jonas ARC. Unify CDP allows you to access and update customer data such as preferences, itineraries, and bookings from any connected system, ensuring you always have accurate and up-to-date customer data at your fingertips.

Along with Unify CDP, Jonas Unify offers Unify Concierge™ to build, update, and view guests itineraries; Unify ResAgent™, a single, central booking system; Unify Journey™, allowing guests to manage their stay with connected mobile, loyalty, membership, and web apps; and Unify GMS™, improving marketing and guest communication with accurate data analytics.

"We are excited to begin this initiative and remove any

concessions in the hospitality tech sphere," Jim Row, SVP of Sales & Marketing, Property Systems, says, "Our team is poised and ready to take on the challenge of launching a new brand and helping our current clients while welcoming new ones."

Jonas Unify™ is a trademark of Gary Jonas Computing Limited. ●



Jonas Unify™ will centralize your guests data and expand your operations through its Customer Data Platform (CDP) and connected apps.

Learn more about Jonas Unify:

www.jonasunify.com

5 Myths About Property Management Systems Integrations

Article by *Springer-Miller Systems*

Vertical: Hospitality

Integration is a hot button topic in the hospitality world. New systems and opportunities appear each day, while longstanding property management system (PMS) providers work furiously to integrate with the latest additions to the hospitality technology landscape. The situation can be frustrating for both the hotelier and the PMS provider. However, everyone has the same goal to ensure that hotel and resort systems communicate effectively and your guests have the best experience possible. Let's dispel these five common myths about PMS and integration.

1. PMS providers don't want to integrate.

Most PMS providers recognize and embrace their role as the nucleus of the technology ecosystem for hotels and resorts. By integrating with third-party system providers, they seek to enhance and cement that role, encouraging their customers to build onto the central data repository that they provide. For most PMS providers, integration is part of their strategic vision and growth as a company, as well as a core tenant of their customer success program.

2. PMS providers don't offer open APIs.

API stands for Application Program Interface and is the method used by software developers to



communicate within and between systems. A private API is only used internally to facilitate communications within a particular software system. An open API is one that is publicly available and provides developers with the information and requirements they need to create interfaces between two systems.

Almost all PMS companies, including SMS, offer an open API so that other systems can interface. However, in most cases offering an open API is not the same as providing unfettered integration. Integrations need to be monitored and certified due to a range of security, stability and management challenges that are inherent with hospitality technology.

3. Data scraping is a fine substitute for an interface.

There are many existing systems that claim they interface with a PMS when, in reality, they simply extract data at regular intervals. While in some cases this type of one-sided data collection can be effective, there are a few issues that should concern any hotel IT

manager. First, these connections may impair system performance, causing unexpected slowdowns. When the data extract occurs in the evening, it may impact the night audit procedure while a daytime process can negatively affect users and their guest service delivery.

When a certified interface is available, it offers greater support, stability and benefits than an unregulated practice. Secure Data Extract (SDE) provides an inexpensive framework to support automated, schedulable, one-way data exports from your PMS to other hospitality systems. Acting as a protective gateway to your system, the SDE facilitates rapid, reliable and more frequent access to the data that hospitality product vendors need in order to provide services to properties and their guests.

4. Interfaces with similar 3rd party systems are all the same.

It is true that system integration has improved dramatically over the past 15 years. However, the hospitality technology ecosystem still consists of a wide range of technologies,

programming languages and databases. To ensure that systems consistently and accurately pass the correct information, both providers need to extensively test and verify all new interfaces. In addition, with an increased need for cybersecurity, software providers need to be diligent and detailed oriented when carrying out 3rd party interfaces. While this process adds time and complexity to even a basic integration, it is an investment well made.

5. Property Management Systems don't offer the integration I need.

Your PMS is probably already interfaced to 100's of different

systems. Your best bet in selecting any new add-on systems for your property is to choose one that is already certified with your PMS, an approach that will save you considerable time and money.

Whenever you are considering adding new automation or changing providers, a great place to begin is the Interface Library document provided by your PMS. This guide is an encyclopedic listing of every currently available supported interface, and you can use it to guide your research process. Additional great resources include your Account Manager as well as other clients on the same PMS. Customer communities and users'

groups often facilitate helpful conversations about integration.

This is a really exciting time in hospitality technology. Many new systems and applications are coming on to the market, promising to address operational and functional gaps while creating new opportunities to enhance guest service and increase revenue at every turn. These new systems join the hundreds of existing hospitality systems that make up the ever expanding ecosystem of every hotel. ●

Learn more about Springer-Miller systems:
www.springermiller.com

Lean Industries launches with Payway

Article by *Lean Industries*

Vertical: *Dispute Management*



Lean Industries, in partnership with ACI Worldwide, is excited to announce that Payway, a leader in merchant payment processing, has successfully gone live with ACI Automated Dispute Manager.

This collaboration marks a significant milestone in our cloud deployment technology, and we are proud to empower Payway with the ability to streamline their acquiring

operations and achieve unparalleled efficiency.

The Payway launch marks several firsts for Lean:

- First implementation of Lean Framework's library of automated workflows.
- First implementation in Latin America.
- First implementation in the Spanish language.

Thank you to our dedicated teams for their hard work and Payway for choosing Lean as their trusted partner.

About Lean Industries

Lean Industries develops and

delivers software solutions designed to lower the costs and improve the quality of managing disputes, exceptions and adjustments for electronic payment transactions.

Our solutions enable organizations of all types to become highly efficient and productive through extensive process automation, elimination of paper-based practices, and integration with critical enterprise payment applications. Our people are experts in this field and provide implementation, training, and customization services to match your company's needs. ●

Learn more about Lean Industries:
www.leanindustries.com

Golf Courses & Country Clubs are Diversifying Their Revenue Streams: How is Golf Management Software Keeping Up?

Article by *Club Caddie*

Vertical: Club Management



The golf industry has been known to be stubborn. Even when the need for change feels crystal clear, courses and their operators stand firm in old ways and honor tradition. However, now that course management software is opening the door for new and untapped revenue potential, GMs are being notified.

As buying habits continue to trend towards digital, golf courses adapt to the new era, and golf course management software stands at the forefront of this transformation. In this article, we'll explore how golf management software like Club Caddie is pivotal in helping course GMs diversify their revenue streams and stay ahead of the curve.

The Dynamics of Golf: Public vs Private Courses

Before delving into the digital evolution of the golf industry, it's crucial to understand the differences in revenue generated by public and private golf courses. In the public domain, revenue primarily stems from green and cart fees. On the other hand, private clubs boast a more widespread

revenue landscape — featuring contributors such as food and beverage outlets, recreational amenities like pools and fitness centers, and even more unconventional offerings like pickleball.

Traditionally, these revenue streams have set public and private courses apart. Public courses rely heavily on straightforward fees, while private clubs diversify their revenue through various avenues. However, the technological changes are allowing for a new landscape to emerge, with each course model adopting elements from the other's playbook.

The latest cloud-based, all-in-one course management software systems like Club Caddie are now seamlessly accommodating online transactions across a full range of offerings. All the capabilities of earlier models are still very possible, but now, with the accessibility to layer in discounts and provide more opportunities to spend on all areas of your facility in the same easy-to-use platform. The future of these systems will continue to bridge gaps, providing both public and

private courses with the tools they need to optimize revenue streams and cater to the evolving preferences of their diverse clientele.

The Shift to Online Booking

Golf enthusiasts are no strangers to booking tee times. And like most people, golfers are searching for the most convenient option. In earlier years, this interaction would be handled via phone call or in person at the pro shop. However, courses have ushered in a new level of convenience. Like most purchasing experiences today, there is a noticeable trend towards purchasing online — allowing golfers to plan their rounds with just a few quick clicks. This shift not only enhances the overall experience for players but also sets the stage for a broader transformation in how golf courses operate.

The Convenience of Online Transactions

The momentum towards online convenience doesn't end with tee times. From gift cards and annual passes to dining reservations, retail purchases and takeout orders, golfers now expect seamless online access to all aspects of their club. In an effort to adapt to this shift in consumer behavior, golf courses are realizing the need for software solutions that house and manage various revenue streams in one central platform.

How Software Systems are Keeping Up

Management software is evolving, and it's getting harder and harder for GMs to ignore the benefit of a new system as opposed to older models. The amount of time and energy saved by combining every facet of a club in one easy-to-use location is allowing a level of convenience previously thought to be impossible.

Laura Reed, Chief Operating Officer of Alsatian Golf Club, recently highlighted her favorite new features: "Club Caddie is an all-encompassing golf management tool. We can manage our tee sheet, club events, food & beverage, member billing and inventory in just one platform. Plus, both our staff and members can access it from anywhere! We made the change in February 2023 and have never regretted the decision. Club Caddie has streamlined our operations with effective, easy-to-use tools. The accounting aspects of the software are amazing. The sync of daily sales to our accounting software is the absolute best feature of the software. It provides precise and accurate data in real-time, directly into our accounting reports. The system saves so much time with the accounting sync and automatic billing. Club Caddie is amazing."

For private clubs, where a significant portion of expenses and fees are traditionally handled through a membership portal, Club Caddie takes saving expenses a step further. Instead of presenting members with just invoices and payment notifications, it transforms the membership portal into a gateway of possibilities for their members.

Unlocking New Revenue Streams

The power of an all-in-one software system lies in its ability to unlock new revenue and opportunities for golf courses. Private clubs, in particular, can leverage this all-in-one software system to offer more than just the essentials. By seamlessly integrating discounts on food, pro shop items, event venues and more within the same portal where members handle their necessary payments, cloud-based software empowers GMs to increase and enhance member engagement.

In an era where private golf courses are competing fiercely for a share of their player's wallet, the key to success lies in expanding any and every avenue for spending. Software systems like Club Caddie not only streamline operational efficiency, but also provide a competitive edge by presenting their members with a one-stop-shop experience.

From managing dues to accessing exclusive discounts, private clubs can use this software to create a compelling value proposition and make their establishment the go-to destination for all their membership needs or purchases.

Embracing the Future

As we gaze into the future of golf course management, it becomes evident that technology is shaping a new era of possibilities. Cloud-based software not only enhances operational efficiency but also elevates the overall experience. From a well-crafted mobile app to an efficient membership management system, software engineers everywhere are scrambling to find the next best method for one of the hottest sports in the country right now.

As golf courses and country clubs embrace the digital revolution, courses are in need of comprehensive golf management software. By aligning with the changing preferences of golfers and providing a seamless online experience, clubs don't just stay relevant. These clubs are thriving in an increasingly competitive landscape. As both public and private courses diversify revenue streams and offer their players more and more convenience, the possibilities housed in a software like Club Caddie cannot be ignored. ●

Learn more about Club Caddie:
www.clubcaddie.com

“The momentum towards online convenience doesn't end with tee times. From gift cards and annual passes to dining reservations, retail purchases and takeout orders, golfers now expect seamless online access to all aspects of their club.”

How AI-powered chatbots can increase direct booking and guest engagement

Article by *Leonardo Worldwide*

Vertical: Hospitality



AI-powered chatbots are transforming how hotels engage with their guests. Putting a chatbot on your website gives you another avenue to engage with both guests and potential guests. When implemented correctly, these virtual concierges are not just a trend; they are a game-changer that can answer questions, convert potential guests, and greet loyal customers.

If you're unconvinced, we've rounded up 5 reasons to use an AI-powered chatbot on your hotel website.

1. Instantaneous Customer Interaction

Picture this scenario: a travel shopper visits your hotel's website with some questions. They're most likely standard questions about room specifics, amenity availabilities, or special offers. Instead of navigating through various pages to get a specific answer or waiting for a customer service representative, an

AI-powered chatbot is there to provide instant responses. This immediate interaction satisfies the shopper's curiosity and sets a positive tone for their entire experience with your brand.

The savvy travel shopper is typically visiting many websites before they make a booking. If they can quickly ask a chatbot questions - for example, "Does your hotel have a meeting space for 20 people?" or, "Do you do group rate discounts?" - they're more likely to move on to the next step and book.

2. 24/7 Availability in More Languages

Unlike human staff members who need breaks and sleep, AI-powered chatbots are available 24/7. They can also be programmed to answer in more languages than your staff speaks, or your entire website is translated into. If you're a smaller property, you may not have the resources to man a round-the-clock help desk or translate the entire

site. On the other hand, a chatbot is available no matter the time of day, in many languages.

This 24-hour accessibility ensures that potential guests, regardless of their time zone, can get answers to their questions no matter when, what, or how they want to ask.

3. Personalized Recommendations

AI-powered chatbots can do more than just answer generic questions. They analyze user data and provide personalized recommendations. By understanding a guest's preferences, these chatbots can suggest room upgrades, local attractions, or exclusive offers tailored to the individual's interests or predicted interests.

This level of personalization creates a more engaging and memorable experience for the guest. For example, a guest may ask about the availability of a family suite. An AI chatbot will use this information later in the conversation to prompt family-friendly add-ons and local

attractions.

4. Conversion Optimization

The primary goal of any hotel website is to convert visitors into paying guests. AI-powered chatbots play a crucial role by guiding potential guests through the booking process. They can address concerns and provide reassurance. Integrating your hotel website's chatbot with your booking engine allows you to provide real-time availability and pricing within the chatbot itself.

Chatbots are a helpful tool to increase your website's conversion rate, turning website visitors into loyal patrons. They guide visitors to book directly by providing key information in a conversational manner.

5. Loyalty

For returning guests, the AI-powered chatbot can be a key tool to funnel visitors exactly where they want to go. They recognize and greet loyal customers, adding a personal touch to the user experience. This reinforces the sense of loyalty and starts the interaction on a positive and welcoming foot.

If you have a loyalty program, integrate that technology right into your chatbot. This allows users to get their loyalty plan information straight from the chatbot, rather than navigating the pages of your website. Your chatbot is a digital concierge, taking some of the heavy lifting off your staff.

Data-Driven Decision Making

Instant interaction, 24/7 availability, personalized recommendations, and conversion optimization all contribute to creating a more efficient and guest-centric online presence for hotels. Adding an AI-powered chatbot to your hotel website is a strategic move that truly transforms the guest experience by embracing technology.

Hotels that leverage the power of AI stand out in a crowded marketplace. There are many AI chatbots out there, but only a hotel-specific digital concierge integrates to your booking engine and loyalty programs to provide instant quotes and personalized interactions. Leonardo's [AI Booking Agent](#) helps make sure you never miss a booking. ●

Learn More:
leonardoworldwide.com

Green is a Good Look for Spas

Article by SpaSoft

Vertical: Hospitality

We're not suggesting you overcrowd your spa with plants or paint the walls green. We are talking about sustainable spa operations.

In our personal lives, we make choices every day that impact the environment. Whether we drive to work or take a bicycle; whether we use paper cups or reusable glasses; whether we turn off the lights in empty rooms or leave them running, we have the ability to effect change with our actions. The same is true in our professional ventures.

Sustainability, as a trend, is alluring

to consumers. In the Forbes article, *Consumer Demand Sustainable Products and Shopping Formats*, the author discusses trends in the findings from a report completed by First Insight and the Baker Retailing Center at the Wharton School of Business at the University of Pennsylvania. The report reveals that "consumers across all generations—from Baby Boomers to Gen Z - are now willing to spend more for sustainable products." Taking a deeper dive into the study, today 90% of Gen-X is willing to spend up to 10% more on sustainable products where it was only 58% two years ago.

This is where spa directors and controllers scratch their heads and



ask themselves, “How can we do this better?” From every aspect of the business, from facility management, retail product offerings to guest service, there are ways to reduce the impact on the environment and bring positive contributions to the community.

Here are a few actions spas can take towards becoming a greener spa:

1. Use Digital vs Paper Forms

Instead of printing wellness forms or terms and conditions for each client, use digital intake forms. These can be completed by the guest in advance or they can fill it out on a tablet upon arrival. Not only will you reduce the amount of paper used each week, but you won't have to file completed forms reducing the footprint needed for physical document storage.

2. Mobile Spa System

Mobile devices can reduce paper consumption in other ways. Let staff view their schedules on a tablet or mobile phone instead of printing them out daily. This conserves paper, as well as providing the most up to date appointment information.

3. Product Recommendations

Utilize your software to share product recommendations instead of writing on a paper card. When guests are checking out, front desk staff can refer to the notes and assist the guest in selecting their purchases.

4. Email Receipts

Instead of using one or two sheets of paper for each client, they'll receive a complete copy to their email address. In addition, using email for marketing and promotions can replace traditional snail mail efforts.

There are over 20,000 spas in the US alone. If each spa can reduce their paper use by one ream a week, the larger impact would reduce paper consumption by over 7 million reams each year. That is the equivalent of saving 438,000 trees.

These suggestions support incremental environmental improvements and spas can use them to drive their sustainability efforts. Additionally, spas have a lot of options to go green by adopting recycling and composting programs, installing solar power or following LEED standards for sustainable spa design and construction. These initiatives enable spa providers to use their energies for healing and renewal instead of environmental harm and waste. ●

Learn more about SpaSoft:
www.spasoft.com

Putting OTAs into your Digital Marketing Mix

Article by TRISH LEIGHTON, Vizergy Digital Marketing

Vertical: Hospitality



As a marketing professional in the hospitality space, it can be hard to know where your marketing dollars are best invested. Between SEO, PPC, Metasearch, and OTA ads, there are so many channels to choose from - and the ROI will vary greatly from one to the next. But one thing is for sure - you need to be visible where your potential guests are shopping, and OTAs (online travel agencies) are often the first stop in the travel booking journey.

OTAs often have a large customer base, strong global marketing, and a significant online presence, which can make it easier for smaller properties to market themselves to a larger audience. Hoteliers can also benefit from how OTAs aggregate user reviews and photos, which gives potential clients important information to help them book.

In the second quarter of 2022, Expedia saw 82.5 million room nights booked. As one of the largest

OTA sites in the world, Expedia's market share makes it an important channel for marketing spend. Their Expedia TravelAds product has proven to be a valuable tool for targeting qualified shoppers and converting them into hotel guests.

But aren't direct bookings the best bookings?

Yes, of course, direct bookings are the most valuable for your property. But with the increasing difficulty getting visibility for high funnel searches, it would be detrimental to your marketing plan to ignore OTAs and the purpose they serve.

As we have mentioned before in our recent keyword strategy blog ([click here to read](#)), OTAs dominate page 1 search results on Google for

competitive broad location terms like "hotels in Denver." This makes sense when you look at OTAs not as individual sites, but rather as mini search engines specific to hotels and travel. It's where people go to narrow down their choices, compare prices, and filter hotels by desired amenities and location. Being visible here, where people are making decisions, is how you can get the booking either then or later when the guest is ready to convert. When you think about how many people book travel, they do use OTAs to search and refine, and then ultimately later book directly with the hotel. Advertising on OTAs won't necessarily keep people from booking direct, but it will put you in front of those who haven't yet considered your property.

So, while we at Vizergy have and will always tout the benefit of designing your marketing campaigns to encourage direct bookings, we also know that keeping OTAs off the menu can lead to you missing great opportunities to engage with and convert your next guest! ●

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Understanding RevPAR vs ADR, and how your hotel PMS can help

Article by *Jonas Chorum*

Vertical: Hospitality

There are a lot of acronyms in the hotel industry. Breaking down the difference in RevPAR vs ADR will help you make strategic decisions in your hotel operations, revenue optimization, and guest acquisition strategy.

In this blog post, we'll unpack the difference in RevPAR vs ADR, and go over some strategies to increase these key metrics.

Defining RevPAR vs ADR

ADR stands for Average Daily Rate, and it is the average price paid per occupied room. It is calculated by dividing total room revenue by the number of occupied rooms.

Understanding ADR over time will provide insight into your overall pricing strategy and potential areas for optimization.

For example, if your hotel has 20 rooms, you sold 10 at different rates and your total revenue was \$5,000, then your ADR would be



\$500. ADR is an important KPI because it reflects the fact that no hotel is selling all of their rooms for the same rates, and you need an average number to track across the board.

If we look at this example ADR calculation, you'll of course notice that half of your rooms stayed empty. RevPAR is the other metric used to factor this in.

RevPAR stands for Revenue per Available Room. It is calculated by multiplying ADR by the occupancy rate, or dividing total room revenue by the number of available rooms. In the scenario outlined above, the RevPAR is \$250 ($500 \times 0.5 = 250$).

While ADR tells you how much revenue is generated on average by your rooms, RevPAR gives a slightly more complete picture by factoring the cost of unsold rooms. It is a measurement of your hotel's financial success filling rooms.

To increase RevPAR, you'll need to increase either number or both. That is, sell more rooms (increase

occupancy) or increase the average cost you are charging per room.

Using and measuring ADR & RevPAR

It's also important to remember that even when weighing RevPAR vs ADR, these are only two measures of revenue and hotel performance. These numbers measure revenue alone, without factoring in costs, upkeep, staffing, and so on.

ADR is useful as a tracking tool over time. Measuring ADR throughout the year will help you better understand seasonality and overall performance. Similarly, RevPAR is useful as a point of comparison over time and against a hotel's comp set.

Given how important these calculations are, it's essential that hotels rely on technology that makes them easy to calculate, track, and share internally. Your hotel property management system stores and maintains all of this information. A better PMS partner makes it easy to access and understand these key hotel metrics.

Improving revenue and success

These metrics provide a high-level overview of the success of your hotel. Once you understand RevPAR vs ADR you'll also need to understand ways to boost these numbers. Understanding these numbers will help you make strategic decisions about your hotel operations, spending, and pricing strategy.

Your hotel technology also plays a key role in improving these numbers. Your operations software can increase RevPAR and ADR by streamlining processes, enhancing the guest experience to drive loyalty, and by providing insights into your pricing and inventory. Some specific ways to boost these key performance indicators via your PMS include:

1. Yield management – your PMS is essential to analyzing demand patterns and occupancy rates
2. Better inventory management – real-time visibility into room inventory via cloud-based PMS lets you better manage occupancy levels
3. Up-sells and cross-selling – increase daily revenue with incremental revenue streams outside your room rates

Better property management software is essential to improving revenue at your hotel. ●

Learn more about Jonas Chorum: www.jonaschorum.com



ADR (Average Daily Rate)

Average price per occupied room. Provides insight into overall pricing strategy and areas for optimization.

$$= \frac{\text{Total room revenue}}{\text{\# of occupied rooms}}$$

RevPAR (Revenue per Available Room)

Factors in the cost of unsold rooms. Measures a hotel's financial success filling rooms.

$$= \text{ADR} \times \text{Occupancy rate} \quad \text{or} \quad = \frac{\text{Total room revenue}}{\text{\# of rooms available}}$$

