CUSTOMER STORY

Island Hospitality Management

Hotel Operator Cuts Invoice Processing Time by 80% with AvidXchange

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Customer Profile

Name	Year Joined
Brian Murphy	2015
Director	
Island Hospitality	**Accounting System**
	JD Edwards

Products Used	Industry
AvidInvoice	Hospitality
AvidPay	

Among the largest independent hotel operators in the United States, Island Hospitality Management oversees 170 properties across the country. Affiliated with Hilton, Hyatt and Marriott, Island Hospitality depends

on hundreds of vendors—from national suppliers to mom-and-pop shops—and since 2015 the West Palm Beach-based company has relied on AvidXchange to process and pay its vendors' invoices quickly and efficiently.

A massive increase in business helped push Island Hospitality toward automation. "Within a four-month period in 2014, we doubled in size," says Brian Murphy, Director of J.D. Edwards Business Services at Island Hospitality. The accounts payable (AP) department, already bogged down by time-consuming, manual tasks, was overloaded by the sheer number of additional invoices.

"Our Island Hospitality executives analyze each of their hotel's results every month. Any underperforming or over-budget property is the focus of a call with the on-site managers to discuss the profit-and-loss statements and specific expenses," Murphy explains. Before switching to AvidXchange, "we were so far behind with the invoices, they couldn't get a copy to look at," he says. "We really need to see that information."

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>
> – Brian Murphy, Director
>   JD Edwards Business Services

Over 35 Work Hours Saved Per Week with AvidPay

Island Hospitality launched AvidInvoice and AvidPay in July of 2015, and its AP department was soon transformed.

"Island Hospitality used to complete a check run by 10:30 AM on Fridays," Murphy recalls. "Then until 5 PM in the afternoon, we'd have seven people folding checks, stuffing envelopes and running them through our postage meter."

With AvidPay, he calculates that the company saves about 37.5 work hours—the weekly equivalent of one employee—on those tasks alone. The AP department's headcount was ultimately reduced, with former staff moving into other more strategic positions in the company.

Invoice Processing Time Cut by 80% with AvidInvoice

AvidInvoice has generated even further savings. Invoice processing times were slashed from an average of 18 days to three.

"AP representatives who used to function more as data-entry clerks are now able to actively manage the accounts instead of the paperwork," Murphy explains. "They have time to review invoices based on dollar values or by vendor. They work with our properties to make sure invoices are coded correctly and that the right vendors are being used."

Seamless Integration with AvidUtility

Following its success with AvidInvoice and AvidPay, Murphy was keen to streamline the AP department further. "Many of the checks that we were processing in-house were utility and telecommunications bills,"

he says. With little ability to negotiate pricing with these providers, timely payment is critical to avoid financial penalties.

Through AvidUtility, AvidXchange handles those bills from receipt and review, through payment, with guarantees against late fees. "We went live with AvidUtility in 2019 and everything has been running quickly and smoothly since," Murphy reports.

24/7 Remote Access

During the lockdowns related to the Covid-19 pandemic, the AvidXchange systems have continued to support Island Hospitality's accounts payable personnel. "We can access AvidXchange from anywhere…so as long as you have a proper login and link to the portal, you can approve invoices," Murphy says. "By getting out of the check-writing business and processing it all through AvidXchange, a check run can literally be done from home," he adds.

Auditing Made Easier

Audits remain a critical, and significant, part of Murphy's responsibilities. Each hotel ownership group has its own internal and external auditing teams. "The auditors are here almost all year long and at different times because they don't play well together," Murphy says. "At times, I need to fill 16 different requests."

AvidXchange's systems allow him to generate custom reports that he can upload to the auditors' website or to their secure portals. Island Hospitality separately runs its own quarterly reports through AvidXchange and shares copies with its clients' auditors, who appreciate the flexible Excel format. "They can pull and review the information in the way that they need," Murphy shares.

"Overall, it was really a no brainer for us," says Murphy. "My advice to anyone is to take a look into automation and see if it will help your organization the way it transformed ours."