

Starwood Hotels & Resorts Worldwide, Inc.
Israel del Rio, Technology Solutions & Architecture

Starwood Hotels owns, manages and franchises over 900 hotel properties worldwide. The hospitality industry has been changing significantly in the last 5 years for many reasons. We are facing the situation sometimes that requires to increase our inventory of product by 20% basically overnight. So we need to have a technology system that could take that type of an increase pretty much without missing a beat. Secondly, during the last 5 years, a number of requests coming to us whether for shopping rates or even bookings, have increased exponentially. So we have to have a technology environment that is so flexible that can take all that without bringing those down. So the Service Oriented Architecture has been very, very important to us to be able to sustain that level of growth in service.

We were trying to address many requirements that were coming from the business side in terms of flexibility. For example - ability to find properties in a more efficient manner or finding a guest preference or being able to communicate with a guest. All of those functions did not exist in the legacy environment.

What we have been doing for the last three-four years has been to establish the infrastructure base of what a Service Oriented Architecture's all about. We knew that we would be able to support business requirements that were present but also business requirements that we don't even imagine right now. We're at the point where we feel comfortable that we can support more transactions. In 2001 we had approximately \$200 million worth of bookings. Now we handle \$1 billion worth of bookings, it's about five times the number of revenue that we book in the website today. But we did grow the mainframe five times, we grew the mainframe 20%.

The benefits that we expect now next that to happen are really more around the area of speed of delivery and better functionality. We have been in the process with the help of tools from IBM like a WebSphere Process Server to deliver applications that would allow our associates to enter and maintain the content in a very rapid fashion. That content can be distributed to all of the channels thanks to Service Oriented Architecture as well. For example the same functionality for rates and availability can be made available to the web channel or to the travel agency channel or to the property itself or the call centers. So we have the ability to share all that functionality via services and not only share the functionality, we can deliver new capabilities. So we can extend the booking arrangements. We can provide better pricing logic and find out the lowest rates.

In the future, whenever there is a new business requirement that is similar to the one that we just satisfied we feel comfortable that we can very rapidly respond to that business requirement. We can build a new twist on a service or a new twist on something that we deliver without having to change everything at all. So we can become more innovative by doing that as well. All of that has implications on cost, it's going to cost less money to do something that with otherwise require a lot more programming and developing. So reuse is a key.

Our relationship with the IBM team has been excellent. For the last four or five years, they have worked with us as a partner - always trying to address our needs. The suite of products that IBM is developing now is clearly a proof of the fact that IBM is really

interested in supporting Service Oriented Architecture. It's been a great relationship for all of us.