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Hilton CIO Says IT Is 'Out From the Back Room'

[Hilton Worldwide Holdings](#) Inc.'s \$550 million IT overhaul has helped the company adapt to a new environment in which mobile devices are the primary tool, for customers and staff alike. As the [Wall Street Journal's Craig Karmin reported](#) on July 27, Hilton is rolling out technology that will let guests use their smartphones for check-in and check-out, to choose a room or to unlock their door. And Hilton is collecting valuable information about their guests' preferences all the while.

It was more than a cosmetic overhaul, according to CIO Bill Murphy, who helped lead the project. Creating a truly mobile company is about a lot more than just creating apps for mobile devices—it required an overhaul of many layers of a complex, global IT infrastructure, and deep consolidation and integration of systems. Company teams also had to be brought together in the effort, said Mr. Murphy, who worked closely on the project with other leaders throughout the firm.



Bloomberg

“Technology is getting fun again,” Mr. Murphy told CIO Journal in an interview. “We’re out from the back room and in the front office now, delivering technology to our end customers.”

About 18 months ago, Mr. Murphy and Geraldine Calpin, Hilton’s senior vice president and global head of digital, began talking seriously about the shift from Web browsers to mobile-based solutions. “We decided early on to jump into it all the way and make sure we support it,” Mr. Murphy said.

Mr. Murphy has been “attached at the hip” with Ms. Calpin, sometimes speaking with her multiple times per day, including on instant messenger, about Hilton’s digital strategy and the progress made on different projects. The mobile initiatives are “a number one priority for our company in terms of technology, and that makes it my number one,” he said. To better serve the business, Mr. Murphy also shook up his IT teams, aligning them with business functions rather than systems.

Teams at Hilton spent about 12 months developing and integrating mobile APIs and other pieces to support the new initiative. Projects like digital check-in were more complex than many past technical jobs, Mr. Murphy said, because “it’s not just a widget you’re putting on the phone. It’s integrating all of the back end together.”

The new mobile technology is heavily integrated into Hilton’s core reservation, guest and property systems, and was plugged into a set of shared IT services. Those services include functions such as finance and property management, and are available to all Hilton’s consumer channels. “Each environment has the ability to operate with the same shared services and superset of data,” Mr. Murphy said.

As Hilton prepares to roll out the various tools and features, scaling the new technology across the company’s more than 4,200 global properties has been a priority for Mr. Murphy. His team will be responsible for seamlessly connecting all of the technology, and ensuring Hilton can respond quickly to any issues.

“From a CIO standpoint, scale is extremely strategic,” he said. That means having the technology in place to make sure guests can do a digital check-in without problems, no matter where they are. “When talking about enhancing the guest experience, deploying technology to a percentage of the real estate is probably more disruptive than not having it at all.”

Hilton is now testing various elements of the system, fixing bugs, and is in the process of finalizing negotiations with vendors that will provide technology for hotels around the world. Mr. Murphy and his teams are also exploring how mobile technology can be used in other parts of the hotel, from elevators to parking gates.

The visibility of the project also required regular presentations to the rest of the company’s senior leadership, said Mr. Murphy, who reports to Hilton CFO Kevin Jacobs. Hilton has an executive steering committee that meets monthly, as well as an IT council that meets quarterly. “There is crossover participation across the two groups,” Mr. Murphy said.

Hilton’s move heats up the arms race among operators such as Starwood Hotels & Resorts Worldwide Inc., Marriott International Inc. and InterContinental Hotels Group, [Mr. Karmin reported last week](#). Hotel companies see mobile as a key way to win over the millennial generation and a

way to fight the expansion of online travel agents like Expedia.com, he writes.

The company began upgrading its technology after it was acquired by private equity firm Blackstone Group LP in 2007, Mr. Murphy said. (Hilton went public again in 2013). When he joined the company in 2012, he became involved with various projects aimed at transforming Hilton's IT foundation, such as consolidating 13 property management systems into a single backbone, replacing servers and other back-office equipment, and creating a [standardized system for reservations and billing](#). "Deploying that technology is a lot easier when you have those centralized systems," Mr. Murphy said.

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