

# Group Consolidation for Global Hospitality Companies: How NetSuite Makes it Easy



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Global hospitality companies managing numerous regional entities face significant challenges in financial consolidation and accounting, primarily due to the complexity and diversity of operations.

NetSuite OneWorld offers a comprehensive solution designed to address the financial consolidation and accounting challenges faced by global hospitality companies managing multiple entities across diverse regions. This cloud-based ERP system provides extensive support and functionality to navigate the complexities of global operations, ensuring accurate and efficient financial management. Here's how NetSuite OneWorld supports overcoming these challenges:

Let's review the top 8 financial consolidation challenges facing hospitality groups, and how NetSuite OneWorld Solves Them.

# Complex Financial Consolidation

Consolidating financial data from multiple entities across different countries into a single, coherent set of financial statements is highly complex. This process involves converting foreign currencies, aligning accounting periods, and reconciling intercompany transactions.

## Simplified Financial Consolidation with NetSuite

NetSuite OneWorld automates the financial consolidation process, allowing for real-time aggregation of financial data from all entities. It supports multi-currency management, automates currency conversion, and provides consolidated financial reporting in real-time. This simplification significantly reduces the time and effort required for the consolidation process, ensuring timely and accurate financial statements.

## Compliance with Multiple Accounting Standards

Entities operating in different countries may need to comply with varying accounting standards such as GAAP, IFRS, or local standards. Ensuring consistent financial reporting across all entities while adhering to these standards can be challenging.

## NetSuite's Global Accounting Compliance

OneWorld is designed to support various accounting standards, including GAAP, IFRS, and country-specific regulations. It allows companies to manage and report financials according to different standards simultaneously, ensuring compliance across all jurisdictions. The system updates automatically to reflect changes in accounting standards, reducing the risk of non-compliance.

"NetSuite OneWorld adeptly addresses the financial consolidation and accounting hurdles inherent in global hospitality management, by automating and simplifying processes, ensuring compliance, and enhancing efficiency."

– Tiernan O'Connor, Sales Director, DWR Consulting





## Managing Currency Fluctuations

Financial consolidation in global operations is significantly affected by currency exchange rates. Fluctuations can impact the reported results of the company, making it difficult to accurately measure financial performance and position.

### NetSuite's Multi-Currency is Driven By Live FX Data

With its robust multi-currency management capabilities, NetSuite OneWorld helps companies efficiently manage the impacts of currency fluctuations on their financials. It provides real-time currency conversion and revaluation, enabling accurate financial reporting and analysis. Companies can better assess their financial health and make informed decisions, minimising the adverse effects of currency volatility.

## Intercompany Transactions and Eliminations

Global hospitality companies often have complex intercompany relationships, including shared services, intercompany financing, and cross-charges. Properly identifying, tracking, and eliminating these transactions during consolidation is critical to avoid double counting of revenue and expenses.

### NetSuite Automates Intercompany Transactions and Eliminations

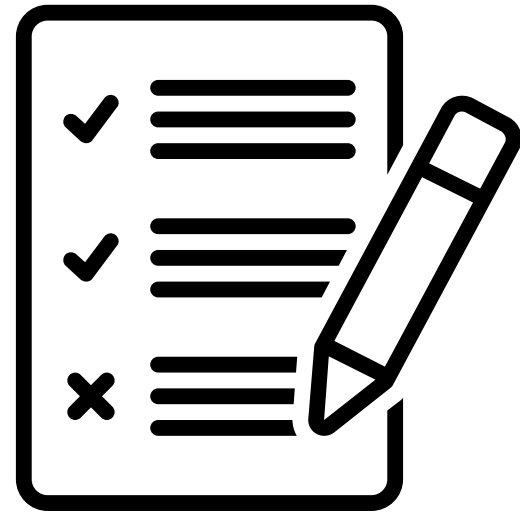
NetSuite OneWorld streamlines the management of intercompany transactions, including automated intercompany eliminations. This feature simplifies the reconciliation process, ensuring that intercompany balances and transactions are accurately recorded and eliminated in the consolidation process. It reduces the complexity and manual effort involved, enhancing the accuracy of consolidated financial statements.

# Tax Compliance and Strategy

Navigating the tax landscapes of multiple jurisdictions, each with its own rates, rules, and regulations, poses a significant challenge. Effective tax planning and compliance are essential to minimise liabilities and optimise tax positions.

## NetSuite's Global Tax Nexus

NetSuite OneWorld's tax management functionality supports global tax compliance by accommodating various tax regulations and reporting requirements across different countries. It automates tax calculations, supports multiple tax rates, and generates tax reports, helping companies navigate the complexities of international tax compliance efficiently.

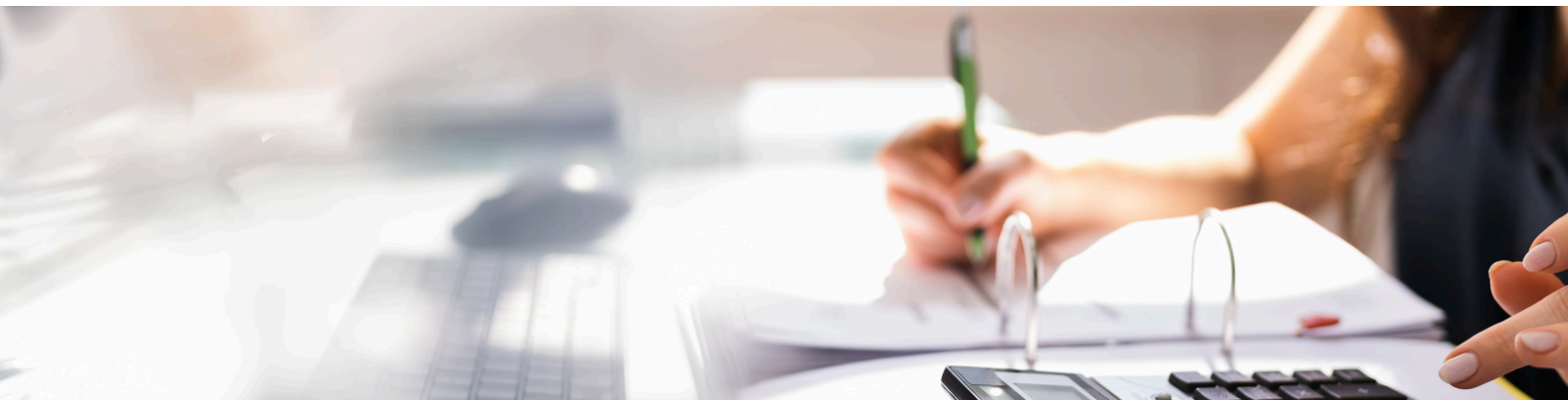


# Real-Time Financial Reporting

Achieving timely and accurate financial reporting across all entities is challenging but crucial for decision-making. Delays or inaccuracies in financial data can hinder strategic planning and operational efficiency.

## Multi-subsidiary Dashboards and Reporting

NetSuite OneWorld provides real-time visibility into financial data across all entities, enabling timely and informed decision-making. Its dashboard and reporting tools offer customisable views of key financial metrics, facilitating instant access to critical financial information and performance indicators.





## Integration of Financial Systems

Many global hospitality companies use different financial systems across their entities, which can hinder the process of financial consolidation and reporting. Integrating these systems or implementing a unified financial management solution can be complex and resource-intensive.

### NetSuite is a Single Source of Truth

As a unified financial management solution, NetSuite OneWorld eliminates the need for disparate financial systems across entities. It integrates all financial operations into a single platform, ensuring consistency in financial processes and data. This integration supports more efficient operations, reduces data inconsistencies, and streamlines financial reporting.

## Cost Allocation and Performance Measurement

Allocating costs accurately across different entities and measuring performance in a consistent manner is challenging. It requires a sophisticated cost allocation model that considers the unique aspects of each entity while ensuring comparability.

### Advanced Costing and Allocation Tools

With its advanced costing and performance measurement tools, OneWorld enables accurate cost allocation and comprehensive financial analysis. Companies can define and implement sophisticated cost allocation models and measure performance consistently across all entities, supporting strategic financial management and operational efficiency.



# Regulatory and Compliance Risks

The risk of non-compliance with financial regulations increases with the number of jurisdictions a company operates in. Failure to comply can result in significant fines and reputational damage.

## Built for Global Compliance

NetSuite OneWorld's built-in compliance management features help mitigate regulatory and compliance risks. It ensures that financial operations adhere to the latest regulations, reducing the risk of non-compliance and associated penalties.



# Data Quality and Integrity Management

Ensuring the quality and integrity of financial data across all entities is a foundational challenge. Inaccuracies or inconsistencies in the data can lead to erroneous financial statements and poor decision-making.

## OneWorld's Centralised Data Storage

OneWorld's centralised data management ensures the integrity and quality of financial data across the organisation. With a single source of truth for financial information, companies can rely on accurate and consistent data for financial reporting and decision-making.

"NetSuite OneWorld simplifies global operations for hospitality companies, offering efficient financial consolidation and real-time business insights. It's a valuable tool for any hospitality company looking to grow and streamline operations."

- Tiernan O'Connor, Sales Director, DWR Consulting

## The Wrap Up

NetSuite OneWorld stands out as an indispensable tool for global hospitality companies facing the daunting task of financial consolidation and accounting across multiple entities. By offering solutions to the top challenges in global hospitality group consolidation, NetSuite OneWorld not only simplifies financial management but also empowers companies to focus on growth. With its comprehensive suite of features, from simplified financial consolidation to advanced costing and global compliance management, NetSuite OneWorld is the key to unlocking efficiency, compliance, and strategic insight in the global hospitality industry.



# Frequently Asked Questions – NetSuite for Hospitality Groups

## 1. What is NetSuite OneWorld, and how does it benefit hospitality groups?

NetSuite OneWorld is a comprehensive cloud-based ERP solution designed to manage complex business operations across multiple subsidiaries and countries. For hospitality groups, it offers real-time financial consolidation, multi-currency management, and compliance with various international accounting standards, simplifying global operations and financial reporting.

## 2. Can NetSuite OneWorld handle multi-currency transactions and reporting?

Yes, NetSuite OneWorld is equipped with robust multi-currency management capabilities. It supports transactions in multiple currencies, real-time currency conversion, and revaluation, allowing hospitality groups to accurately manage and report their finances across different countries.

## 3. How does NetSuite OneWorld assist with global tax compliance?

NetSuite OneWorld's global tax management functionality automates tax calculations, supports multiple tax rates, and generates tax reports in compliance with the tax regulations of various countries. This helps hospitality groups efficiently navigate the complexities of international tax compliance.

## 4. Can NetSuite integrate with other systems used by hospitality groups?

Yes, NetSuite OneWorld offers extensive integration capabilities. It can be seamlessly integrated with other systems used by hospitality groups, such as property management systems (PMS), customer relationship management (CRM) systems, and point of sale (POS) systems, ensuring unified and efficient operations.

# Frequently Asked Questions – NetSuite for Hospitality Groups #2

## 5. How does NetSuite OneWorld support financial consolidation for multi-entity hospitality groups?

NetSuite OneWorld automates the financial consolidation process for multi-entity hospitality groups. It provides real-time aggregation of financial data from all entities, supports automated intercompany eliminations, and offers consolidated financial reporting, significantly reducing the effort and time required for financial consolidation.

## 6. Does NetSuite OneWorld offer real-time financial reporting and dashboards?

Yes, NetSuite OneWorld provides real-time financial reporting and customisable dashboards. Hospitality groups can access up-to-date financial data, key performance indicators (KPIs), and analytics across all their entities, enabling timely and informed decision-making.

## 7. How does NetSuite OneWorld ensure data accuracy and integrity?

NetSuite OneWorld maintains data accuracy and integrity through centralised data management. It acts as a single source of truth for financial information, reducing inconsistencies and errors in data across multiple entities, and ensuring reliable financial reporting and analysis.

## 8. Is NetSuite OneWorld scalable for growing hospitality groups?

NetSuite OneWorld is highly scalable. It can easily accommodate the growth of hospitality groups, whether through adding new properties, expanding into new markets, or enhancing operational complexities, without compromising performance or efficiency.