3 TYPES OF REPORTS
EVERY TRAVEL AGENCY SHOULD HAVE

Travel industry is facing today severe challenges like prices alignment and lack of differentiations. This kind of challenges demand to better know your business and your potential for growth. Using all the numbers you have and integrating all the data you have from different sources is important to drive business smoothly.

But how many people in the travel industry even know what reports they need, much less what reasonable expectations should be for their reporting tools and database. In this paper you will find out about the essential reports every manager needs, touching on the value and benefits those reports should be delivering to him.

In order to make the most of any business, it's essential to gather the right data about your operations. But just having the raw data isn't enough - you also need to be able to analyze the information and generate reports that display the data in an easy-to-understand format.

THREE ESSENTIAL REPORTING TYPES

Financial

Operational

BI reports

#1. FINANCIAL REPORTING

Often referred to as "Financial Statements", this report contains a company's cash flow statement, income statement, and balance sheet.

This is #1 because bills and debt are only settled with cash – not profits. Ever had a bank balance shock after a good sales week? That's because sales cycles and cash cycles are very different. This statement shows the sources and amounts of cash coming into the company, and the uses and amounts of cash leaving the company: hopefully the former is always greater than the latter. This is your company's blood pressure – it's vital this statement is detailed and easy to read.

Income Statement: also called the "Profit & Loss (P&L) Report", this report reveals if the company was able to generate a profit; i.e. did the amount of sales exceed the amount of expenses? Since some expenses are non-cash (accruals & amortization) it rarely matches the cash flow statement. For this report it's vital all company lines of business have their own income statement. That level of detail is necessary for management to see what business areas are contributing to profitability and which are bleeding it. Travel agencies can generate monthly reports on their profits after the VAT is eliminated from Gross-Profit. Using an ERP system you can generate this kind of reports at a certain period of time and have this kind

Balance Sheet: the balance sheet is often neglected by management on a monthly basis and looked at more closely on a quarterly, semi-annual and annual basis. Why? Because it doesn't include operating results, only assets (cash, accounts receivable, equipment, buildings, etc.) and offsetting liabilities (accounts payable, short & long term debt, etc.). This report should always clearly show the company's breathing room between quickly available cash and bills/loans coming due in the near future – and management should pay attention to it.

Some of the most used financial reports in travel industry are: Client Invoices, Suppliers Invoices, Balances, Cashbook, Cashing documents, Payment documents, BSP files, Currency exchange, Cash Flow Statement.

#2. OPERATIONAL REPORTING

The purpose of these reports is to provide management with information on the company's current operational efficiency.

Effective operational reporting should: enable management to analyze current and projected financial outcomes – and take immediate action to seize opportunities or cut losses; produce granular, performance outcomes on a daily basis. Examples include: profit margins on proposed & closed sales; available room inventory; activity on each travel services, reports on your ticketing activity, reports on your travel services. A travel ERP operational reporting system should cover the following scope:

- **Real-time Information:** management should be acting in the morning on yesterday afternoon's information and in the afternoon on what took place in the morning.

- **Granular Reporting:** real-time information falls short if it requires lengthy drill-down exercises. If sales margins are off, was in flights, hotels, tours or activities. Tours? Which tour package and what travel product?

- **Flexible Ease-of-Use:** an IT project shouldn't be triggered if report users want a different view of data or type of analysis. They should be able to comfortably customize reporting with little or no assistance.

#3. BUSINESS INTELLIGENCE (BI) REPORTING:

These reports have changed considerably over the past two years. Prior to then, the purpose of BI reports was to give management a much broader information perspective than operational reports by combining data from many sources: for example, other software systems (3rd party systems.), Point of Sale data, web apps and spreadsheets. For the travel industry a much more reasonable choice is the standardized data model which is part of a travel ERP system.

Excluding the added functionality of Big Data and Analytics, BI reporting should provide the following value:

Metrics & Measurement: leveraging data from many sources, BI reports should enable management to define key performance metrics, then measure and report them on a daily and weekly basis. Well-defined metrics should foreshadow operating results, giving clarity to why outcomes have occurred. They will also allow employees and management to stay on the same page in terms of high priority actions and what performance levels are necessary.

Intuitive Transparency: BI reporting should take aggregated data from several sources and use graphics to illustrate trends and exceptions in a way so that meaning is easily grasped.

Management Dashboards: BI report features should include an easily customizable management dashboard that provides "at a glance" functionality for a comprehensive view of company performance.
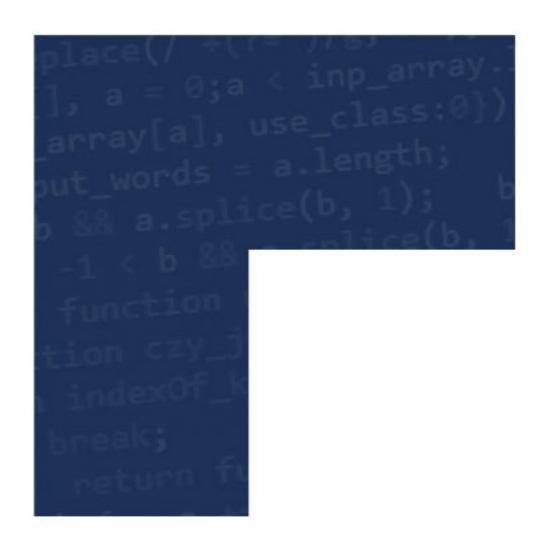
Based on BI reports, travel agencies can forecast and control their activity. Think about data regarding your actual reservations; using BI reports you can forecast your future reservations based on the patterns of your travelers. This way you can start negotiating future contracts and volumes with your suppliers after analyzing your forecast report based on your actual reservations.

Marketing Analytics: integrating analytical data with a company's travel technology enables it to invest in marketing programs with a higher probability of customer conversion and resulting revenue generation. Analytical data will support modeling of alternative marketing mixes and more granular segmentation and profiling of contacts, prospects, leads and customers.

Sales, Pricing & Inventory Management: robust, high quality data will enable more accurate: market demand/sales forecasting; inventory requirements and fluctuations; pricing strategy and highly disciplined responses to changing market conditions.

Customer Transparency: accurate data from multiple sources allows travel companies to plan and operate with a much deeper understanding of their customers – providing more effective actions around customer: acquisition; behavior and differentiation; and reward values.

It's likely everyone was fine with financial reporting, and misses beyond the financials likely split disproportionally into the BI category. Missing either one will significantly affect competitiveness; missing both points to a serious weakness. However, the cure for both is the same: standardize data; aggregate information; extract with a robust reporting tool. A highly beneficial way to approach the cure is with a travel ERP system – it will not only accomplish all three activities, the system will also reduce costs by automating processes.

In conclusion, travel agencies can take full advantage of their ERP data and prepare standard reports, industry specific reports and specialized reports for 3rd parties. Using an ERP system with reporting capabilities can help you generate automated reports in several formats such as Tamara, GRO, iBank, Gems and others. An ERP system can combine historical data, real-time data, including automation and it enables to have access to your complete database in order to forecast your future results. This way, your agency's insights can play a pivotal role in the success of your marketing.

Also known simply as BI, business intelligence, or MIS, management information systems are created to provide analysis of a company's operations and find ways of enhancing the strategic and operational activities.

By gathering the right data and examining it with the right techniques, travel agencies using reporting technology can dramatically improve efficiency and make better decisions in terms of how the company is run.

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