ReconNET
BY TRINTECH

On Your Way to a 5 Star Financial Close Process

G6 Hospitality

G6 Hosipitality was struggling with manual account reconciliation that postponed month-end accounting for its growing number of properties. Department inefficiencies and error prone manual processes caused delays with the identification of exceptions like missing and late deposits. High turnover at properties and reporting delays exposed the company to expensive losses, with annual write-offs averaging $1.5 million.

G6 Hosipitality had no process for escheatment, and a 2004 audit resulted in $3 million in penalties for unclaimed property that had not been filed with the appropriate states. Furthermore, a home-grown ACH system, with many limitations, left millions of dollars in idle cash balances.

OBJECTIVE

G6 Hospitality implemented Trintech's ReconNET™ solution to automate manual processes and detect fraudulent activities. The TRACKER solution for unclaimed property reporting and the DataFlow Transaction Network for managing bank data collection provide automated account reconciliation, timely month-end accounting, exception research, reporting and resolution, validated and aggregated data from all banks, ACH processing and management of unclaimed property.

IN BRIEF

Challenges:

- Error prone manual processes caused delays with the identification of exceptions, exposing them to expensive losses, with annual write-offs averaging $1.5 million

Objectives:

- Improve staff efficiencies, verify deposits daily, perform timely period-end close, replace its home-grown ACH system, reduce idle balances and manage unclaimed property reporting

Return on Investment:

- Reduced fraudulent activity by 50%, reduced the value of write-offs by $1.5 million and a recovery of $8 million in idle balances

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SOLUTION IN ACTION

Automated processes and operational improvements quickly showed results with reconciliation for 1,000 locations achieved with 2.5 FTEs and a 95% reduction in errors. The company reduced the number of banks from 30 to 17, lowering overall bank fees. ReconNET helped the company reduce fraudulent activity by 50% with nearly $200,000 in first-year savings. They also reduced the value of write-offs by $1.5 million through timely exception item identification. There was also the recovery of $8 million in idle balances through ReconNET's ACH and accelerated movement of $750k to $1 million daily, as well as up-to-date reporting of unclaimed property.

Maximizing the use of Trintech's powerful suite of solutions for automation, escheatment and data delivery gave G6 Hospitality more control and insight into its business. G6 Hospitality has future plans to further leverage its usage of ReconNET with credit card transactions.

About G6 Hospitality

G6 Hospitality owns, operates and franchises more than 1,450 economy lodging locations.

It employs more than 10,000 team members across the U.S. and Canada.

It is headquartered in Carrollton, Texas.

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