

Industry
Perspective

Future-Ready Hospitality Requires an Interoperable Approach to ERPs



Introduction.

Hospitality leaders know that change is constant—but in the last few years, the industry has seen change accelerate at a spectacular pace.

Amid so much change, a hospitality organization's ability to adapt is paramount to its ability to survive—let alone thrive. Yet adaptability is challenged by monolithic enterprise resource planning (ERP) tools. “In many cases, hospitality ERP systems are old and disparate, cobbling together a lot of different point solutions,” says Karen Schreiber, principal at KPMG LLP. No ERP tool is truly one-size-fits-all. It's more effective to deploy a cloud-native interoperable ERP that can seamlessly integrate with best-of-breed point solutions, providing the flexibility to adapt to evolving business needs and change.

“The world is changing, and hospitality is changing, and we're seeing more desire for systems that drive greater analytics and insights,” says Schreiber. “Hospitality organizations are having to quickly figure out how to get on board with the back-office technology advancements they haven't taken advantage of over the last 10-plus years so as not to be left behind.”

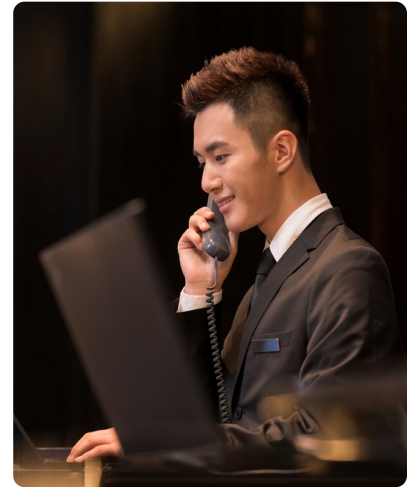
To maximize both adaptability and analytics, hospitality organizations need a platform that seamlessly integrates front-, middle-, and back-office processes while providing more flexibility and freedom to choose best-in-class products.

While both legacy ERPs and their contemporary alternatives target core business functions such as human resources and finance, the latter is built with adaptability at its core. Highly flexible and configurable, an interoperable ERP can evolve over time, adding new best-of-breed tools as they emerge and removing outdated solutions—without disrupting the business.

An interoperable ERP has an agile data architecture that allows hospitality organizations to seamlessly integrate with other tools without compromising data security or privacy. And because cloud-native tools are built on a common data core, they're better able to leverage automation and machine learning to drive stronger value creation versus value tracking.

“ERPs cannot keep up with the ever-changing nature of business,” says Joe Wilson, global CTO at Workday. Wilson points out that ERPs date back to the 1960s—what has changed since then? For hospitality organizations, almost everything. Yet legacy tools haven't fundamentally evolved, despite the “lift and shift” strategy some hospitality organizations have used to move on-site tools to the cloud. As Wilson says, “Unlike classic cars or fine wines, legacy ERP tools do not get better with age.”

A legacy ERP forces an organization to play by its rules. An interoperable ERP plays well with others. Hospitality organizations that make the shift to a contemporary solution will be better positioned to adapt as business changes—now and into the future. Below are five considerations driving more hospitality organizations to rethink their ERP strategies.



In many cases, hospitality ERP systems are old and disparate, cobbling together a lot of different point solutions.

Karen Schreiber
Principal,
KPMG LLP

Unified data.

Never before has the hospitality industry had so much data waiting to be mined—it's sitting in digital tools spanning everything from point-of-sale, customer satisfaction, and foot-traffic details to inventory management, contingent labor pools, and menu item details. But what use is all that data if it's stuck in disparate tools and siloed by function?

Hospitality organizations may have a lot of data, but that doesn't mean it's accessible or reliable. In fact, [47% of hospitality executives cite disparate and siloed data as their organization's biggest challenge in managing its tools, processes, and functions over the past 18 months](#). And legacy ERPs exacerbate that problem because data is stored in relational databases and often requires manual extraction before collaboration or analysis.

By contrast, a cloud-native interoperable ERP seamlessly pulls together data from across the enterprise—as well as blending data from third-party tools—into one unified platform, so data can be accessed and analyzed in real time. That's a game changer for leaders asked to support strategic decision-making, often with only a fragmented view of company data.

“By integrating data from across the enterprise—including third-party operational solutions—into a unified, AI-powered platform, cloud-native technology transforms decision-making. Hospitality leaders gain real-time insights from a complete, connected view of their business—empowering smarter, more strategic choices,” says Keith Pickens, global managing director for retail, hospitality, and transportation at Workday.

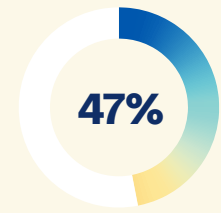
Visibility is worthwhile. But the full value of a cloud-native platform stems from its ability to leverage AI and automation—and the underlying data architecture built for similar technology breakthroughs as they emerge. With technology all but eliminating manual, repetitive tasks, finance spends less time closing the books and more time telling the data story—leading to better business decisions and business value.

Fit-for-purpose flexibility.

For decades, legacy ERPs promised all-in-one tools, but they fall short—requiring costly customizations and complex updates and still leaving businesses with fragmented data and disconnected integrations.

“For many hospitality organizations, their systems are not what they would have created if they had started from scratch. Rather, their systems have become mazes over time—difficult to navigate and to untangle,” says Keith Mattioli, principal, KPMG LLP. “If an organization wants to replace one small system—for example, their payments or customer relationship management tool—the sheer complexity of decoupling the existing system from its ERP is so great that they find themselves stuck. They start adding to their technical debt.”

And when one hospitality organization merges with another, Pickens says it's brutal to integrate it into the ERP tool. Organizations looking to swiftly onboard an acquisition may be slowed down by multiple tools and different data formats.



of hospitality executives cite disparate and siloed data as their organization's biggest challenge in managing its tools, processes, and functions over the past 18 months.



For many hospitality organizations, their systems are not what they would have created if they had started from scratch. Rather, their systems have become mazes over time—difficult to navigate and to untangle.

Keith Mattioli
Principal,
KPMG LLP

By contrast, an interoperable ERP is designed to swap new tools in and out, accommodating the reality of today's—and tomorrow's—ever-changing technology landscape. Hospitality organizations can easily harmonize data across new business models or acquisitions. And they can choose their tools—such as third-party delivery tools or guest messaging apps—to fully capture their value, blending data from real-time technology with historical data to surface richer insights and trends.

“Modern technology platforms can and should provide agility for hospitality organizations by integrating isolated movements—across inventory, finance, HR, point-of-sale, marketing, CRM—so it all comes together, and any of it can change quickly and easily,” Wilson says.

Hospitality organizations still need a stable, reliable technology core; otherwise, they risk assembling a jigsaw puzzle of ad hoc processes and digital capabilities that don't work together in real time. A contemporary interoperable ERP provides this digital backbone, supporting the operation of other industry-specific tools and allowing hospitality teams to blend data from internal and external processes.

“To be more nimble and flexible, hospitality businesses need different solutions from different vendors,” Mattioli says. “And they need an architecture that allows them to do that—to plug and play into the core. The more flexible and adaptable their systems, the better they can react to what's happening in the marketplace.”

DNA-deep security.

The rise of remote and hybrid work has made security an even more pressing issue, as hackers increasingly target not just individuals but also service providers—which can affect an organization's ERP and core financials.

Legacy ERPs only exacerbate this vulnerability. They are often presented as one platform but are actually composed of disparate tools.

An interoperable ERP, by contrast, allows for different tools to interact with each other—but with a singular security model.

“For many businesses, there are a lot more opportunities for attacks because legacy ERPs have more moving parts, more integrations, and more third parties involved,” Mattioli says. “An interoperable ERP solution pulls many things into one place, so there's only one door to protect.”

“At its root, the idea of the interoperable ERP is that the systems need to be able to coexist and be better together, and that's predicated on a modern design that is open and secure,” says Wilson. “For hospitality organizations, speed alone isn't enough. They need to be able to safely navigate in the fast lane or risk getting passed by someone who can.”



At its root, the idea of the interoperable ERP is that the systems need to be able to coexist and be better together, and that's predicated on a modern design that is open and secure.

Joe Wilson
Global CTO,
Workday

Empowered users.

Hospitality guests want a consistent, friction-free experience across every touchpoint. And employees want the same thing. An AI-first platform for HR and finance can help hospitality businesses deliver a better employee experience by unifying the tools and information an employee needs into a personalized and intuitive interface on one platform. That means everyone—from FP&A analysts to frontline managers and employees—feels empowered and informed, whether they’re seeking accrual of paid time off, updating their skills profile, or requesting a schedule swap. And being cloud-native means the data is accessible anytime, anywhere.

Business leaders can also track and analyze workforce patterns to better understand and address their people’s needs. For example, if data around employee departures shows that caring for a family member is driving turnover, the company may want to adjust its extended leave offerings to provide greater flexibility for employees—while also boosting its talent retention.

Always-on adaptability.

Hospitality leaders must continuously adapt to the ever-changing landscape driven by evolving trends, shifting consumer expectations, technological advancements, compliance regulations, and economic factors. An interoperable ERP enables businesses to respond swiftly and effectively to these ongoing changes.

Any omni-channel shift can impact a company’s entire ecosystem, says Schreiber, pointing to the uptick in labor needs that a restaurant might experience by implementing a new digital-ordering process. “Being able to look at real-time menu sales and order accuracy and call in additional resources on a dime—that agility and real-time analytics are becoming even more critical for hospitality leaders,” Schreiber says.

However, it’s hard to leverage real-time analytics when your ERP limits the scope and scale of your view. Insights surface when hospitality leaders can blend data points with vastly different datasets—from workforce data to food waste—to provide opportunities to drive revenue, find efficiencies, or innovate.

“The data point is the artifact that lands on the journal or general ledger,” says Wilson. “But what’s really important is to understand the broader ‘who’ and ‘why’ and ‘how’—to have this cross-pollination of data between key systems, aligned with finance, to build this much better story about what is and isn’t working and where the company might want to iterate next.”

Rather than risk a knee-jerk reaction to an isolated data point, business leaders have a panoramic, context-rich view of that data, making it that much easier to optimize a plan. Not many legacy ERPs have that adaptability.



An interoperable ERP allows for different systems to interact with each other—but with a singular security model.



Being able to look at real-time menu sales and order accuracy and call in additional resources on a dime—that agility and real-time analytics are becoming even more critical for hospitality leaders.

Karen Schreiber
Principal,
KPMG LLP

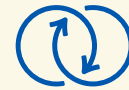
A new ERP for future-ready hospitality.

The hospitality industry is facing an onslaught of challenges, changes, and opportunities—at a dizzying pace. But clinging to the familiar ERP can actually make it that much harder for organizations to navigate the future.

“Companies that have gone to a cloud-native interoperable ERP platform have seen reduced manual effort, greater controls, automated controls, greater data integrity, greater data transparency to drive better insights, more actionable insights, more real-time data access—the list goes on,” says Schreiber. “Companies are seeing a lot of value in going there, and they’re starting to see the return on that investment usually by the end of the first quarter.”

An outmoded ERP requires a hospitality business to operate on the ERP’s terms. An interoperable ERP serves the business and its changing needs. Would you rather work for your platform or have your platform work for you? The choice is clear: by leveraging a cloud-native interoperable ERP, you can harness data more seamlessly and intelligently to power business performance today and far into the future.

To learn more about how Workday can help your organization, visit: workday.com/hospitality



An outmoded ERP requires a hospitality business to operate on the ERP’s terms. An interoperable ERP serves the business and its changing needs.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.