A Giant Step Forward
By Dr. Richard Kelley

Outrigger Enterprises Group is in the middle of a major technology system upgrade, which the Outrigger JDE Steering Committee describes in the accompanying article on this page. It is an essential undertaking for us as we expand the geographic scope of our operations across the Pacific and beyond. However, we should keep in mind that this giant step forward would not have been possible even a few years ago.

I hope the following stories from my recollections of our early ventures into the world of modern technology will put what we are doing now into perspective. As an ad from a few years ago might have put it, “We’ve come a long way, Baby!”

How It Was:
In the 1960s, while the Outrigger Waikiki, Outrigger East, Outrigger West and Outrigger Surf were under construction, computers were not yet part of the hospitality business. The computers that were in operation in those days – in other industries – were terribly expensive, took up huge amounts of space and sucked up unbelievable amounts of energy to simultaneously power and cool their thousands of vacuum tubes and other electronics.

We operated everything in our hotels manually and added a touch of experience plus a dash of good luck to keep our rooms full but not overbooked. Every morning, the night auditor would hand the Reservations Department a manually prepared spreadsheet showing the number of rooms that would be occupied for the next couple of weeks. Hard-working clerks would go over each future reservation card and add those occupied rooms to the spreadsheet. The totals told us whether or not to take bookings for each day over the coming weeks and months. It was slow, tedious, difficult and not really accurate enough for our needs.

Cautiously Dipping A Toe Into Technology:
In the early 1970s, with the Vietnam War at its peak, our hotels were sold out night after night due to pressure to accommodate a steady flow of U.S. troops coming to Honolulu from Southeast Asia to meet families and girlfriends under the military’s Rest and Recreation (R&R) program. I knew we had to improve the speed and accuracy of our occupancy projections and raise the efficiency of our harried reservations staff. I investigated a number of possibilities and talked to many people.

I had to do this quietly because our founder, my father Roy Kelley, had a strong bias against doing anything except in the old fashioned, manual way used since he and my mother Estelle had opened the Islander Hotel in 1947. “Computers? They’re the creation of the devil,” he often said with a vehemence that left no room for doubt or discussion.

One day, he called my office at the Outrigger Waikiki and spoke to my secretary, Ginny Forshay, a petite, quiet young lady. The conversation, with Roy raising his voice further and Ginny getting more nervous with each sentence, went something like this:
Roy: “Where’s Richard?”
Ginny: “He’s in the lobby.”
Roy: “What’s he doing?”
Ginny: “Talking to someone.”
Roy: “Who?”
Ginny: “A computer salesman.”
Roy: “Write this down and take it to Richard immediately.”

A few minutes later, a visibly shaken Ginny handed me a small, folded piece of paper. I opened it to find a two-word message from Roy – “COMPUTERS NO!”

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We got around Roy’s ban by not buying a computer but rather leasing a primitive Burroughs accounting machine that could accumulate numbers punched into cards similar to those developed by Herman Hollerith in the 1880s to tally data from the U.S. Census Bureau. By punching arrival and departure information onto the cards, we could quickly predict occupancies at our properties, then about 14 in number.

Accounting was later added with the help of a Teletype machine that transmitted batches of financial data to a remote computer service bureau.

“Computers, Dad? No, we don’t have any computers,” I could say with a straight face for many months.

Full Computerization:
Later, Roy finally relented and agreed that we could invest in computers that were specifically designed for operating a hotel. We selected a system manufactured in California by ECI Computers expressly for hotels and convention centers. I believe we were the first hotel company in Hawai‘i to fully computerize reservations functions.

However, the ECI computers at that time had only limited capacity and could barely handle three or four small hotels. So, we installed multiple sets of the computers in a well-cooled, fireproof room behind the Main Showroom at the Outrigger Waikiki. Each computer had to be hard-wired to every terminal in the reservations office across the hall. With hundreds of wires going from room to room, it was like something out of a nightmare but, with careful supervision by Ann Harada, Laurie Hirata and many others, it worked beautifully for years.

As computers improved, we wrote our own Front Desk and Reservations software, which we named Stellex in honor of our co-founder, Estelle Kelley, who for so many years did all of our reservations work, booking forms and writing personalized notes and letters on a manual typewriter.

Beginning in 1988, financial data was fed to an IBM AS400 with JD Edwards World software. Now, almost a quarter of a century later, it is time to upgrade that system too as described by the Outrigger JDE Steering Committee on Page 1. In the not too distant future, all of our computer systems will be state-of-the-art and the same in all of our properties across the Pacific Ocean and in Southeast Asia.

In my lifetime, I have seen our hotel information processing go from a single hand-cranked adding machine to a wireless network with hundreds of terminals scattered from Honolulu to Phuket, Thailand. My morning newspaper notes that Apple Computer sold 35 million iPhones in the first three months of this year, each one with far more computing power than any of our ECI computers. With those items in mind, just imagine for a moment what will happen during the life of my first great-granddaughter, Lilikoi, who recently celebrated her second birthday!

“You’ll go a long way, Baby!”

1 These properties are now called Outrigger Waikiki on the Beach, OHANA Waikiki East and OHANA Waikiki West. The Outrigger Surf has been converted into a condominium named The Ohia.
Outrigger Lays a New Foundation
By the Outrigger JDE Steering Committee

Back in 1988, Outrigger installed a brand new Finance and Human Resources system called JD Edwards World. The JDE software was designed to track employee information, process payroll, manage financial data and facilitate the flow of data between departments. JDE World became, for Finance and HR, what our Stellex reservations software is for our Front Desks. It has been the foundation and backbone for the work of Finance and HR for the last 24 years.

Thanks to the support of the JDE World software vendor and the creativity of Finance, HR and IT, we have created specialized programs, Excel spreadsheets and other “workarounds” over the years to enable our information system to keep pace with the increased requirements that have accompanied Outrigger’s growth and expansion — without the expense of purchasing a new system.

However, in 2010 we were advised that the current JDE World system is “end of life.” In other words, no vendor, consultant or group will be available to support our system after 2012. We therefore have no choice but to install a replacement system. The new system, called JD Edwards EnterpriseOne 9.1, will enable HR and Finance to streamline processes, maintain accuracy standards and reduce complexity — helping us better serve our customers.

Outrigger has spent the last 18 months preparing to replace the 24-year-old system. An Outrigger Steering Committee is in place to lead this project during its multiple implementation phases, with representation by the key stakeholder groups:

Financial Services – Avery Aoki, Shari Fujita and Joy Uchida
Human Resources – Ruthann Yamanaka, Janice Yee, Pila Hanson, Monica Fo and Neil Kondo
Information Technology – Alan White and Crystal Salavea

Outrigger has hired SYSTIME Computer Corporation, known as one of the world’s top JDE implementation partners, to help guide us through the implementation. Over the past 17 years, SYSTIME has completed more than 130 JD Edwards implementation engagements for clients in a wide array of industries. Partnering with SYSTIME is NOI Strategies, which will help Outrigger implement the Finance and Real Estate modules in JDE. The SYSTIME team is headed by Ashish Kalawadia, Global Practice Director, and Berges Fitter, Project Director. The HR Track is being led by Jo Ann Perry (SYSTIME), and the Finance Track is being led by Sachin Nade (SYSTIME) and Ray LeBrun (NOI). There are many other talented and wonderful people from SYSTIME and NOI dedicated to supporting and guiding Outrigger (both on- and offsite), so stop by the OHANA Waikiki East Learning Center where they are headquartered to say Aloha!

The numerous phases of this critical project will take another 18 months to two years to complete. Outrigger has recently completed the Design and Define phase in which SYSTIME conducted a detailed analysis of our current system in order to provide us with a scope and timeline for implementing the core functionalities for HR and Finance. We are currently gearing up to start the Build and Configuration phase where we will work on setting up, organizing and testing the system before we “go live” at the end of the year.

Once our core HR and Finance functions are up and running, we will begin to implement additional important functionalities of the system, some of which are new capabilities while others are enhanced existing capabilities. These functionalities include Real Estate, Project Costing, Capital Asset Management, E-Recruit, Compensation, Training and Competencies, Performance Management and Employee/Manager Self Service.

The current focus is on implementing the system here in Hawai‘i with plans to roll out many of the Finance and HR modules to the Outrigger Guam Resort and Outrigger on the Lagoon – Fiji. Future plans also include rollout to our Asia-Pacific (APAC) group, beginning with Australia and then our Asia properties and entities.

Over the course of the project, we will provide regular updates to keep everyone informed of new developments and the progress that’s being made. We have much to look forward to and much to accomplish over the next couple of years, and we welcome everyone’s input to ensure the project’s success as an Outrigger global system that will benefit us all.